BUILDER

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(Cover: BUILDER 100. Photo: Copyright David Arky 1984)

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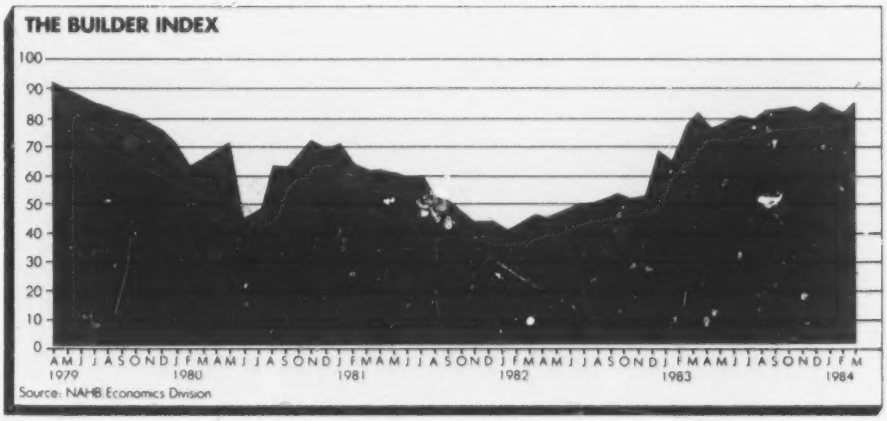
OUTLOOK

A HOUSING INDUSTRY ANALYSIS
PREPARED BY THE
NAHB ECONOMICS DIVISION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Source: NAHB Economics Division

The BUILDER Index increased substantially in March to 83.45, indicating that housing activity should remain strong at least through most of this year.

The BUILDER Index measures near-term (3 to 6-month) housing activity. It is a composite of seven housing industry indicators: building permits, Government National Mortgage Association yields, the Producer Price Index (construction materials), framing lumber and plywood composite prices, builders' sales expectations, home buyer traffic and the confidence index of home buying. The BUILDER Index is updated monthly.

Nothing's Wrong

Michael Sumichrast
NAHB Chief Economist, Washington, D.C.

As the first quarter ended, the major economic debate—other than the one about the deficit—centered on, of all things, economic growth. In the opinion of some, the estimated 7.2 percent real growth during the first quarter was just too much. This group reasoned that growth will strain our resources and trigger inflation.

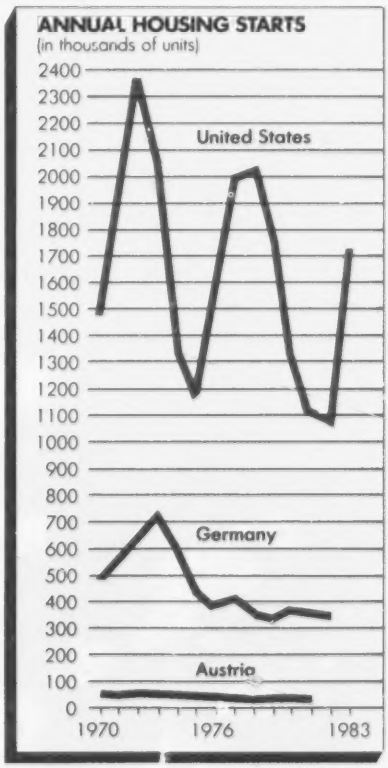
But there is something wrong with this line of reasoning. Better to ask: What's wrong with a little prosperity?

A year and a half ago those now worried about too much economic strength were decrying a recession that had devastated the economy. At the end of 1982 almost 12 million people were out of work, a new unenviable record. The unemployment rate was a sickening 11 percent. It was even worse in the construction trades, 22.8 percent.

At the same time the gross national product was declining at an annual rate of 2 percent, plants were closing, the bankruptcy rate reached a new high and television carried pictures of soup lines.

Finally last year the economy began to pick up, and the year ended with an economic growth rate of 3.4 percent. When the growth rate hit 9.7 percent in the second quarter, the Fed tightened up. As a result, interest rates increased by about 1 percentage point and growth slowed to 7.6 percent in the third quarter, then 5 percent in the last quarter.

Now, the Fed apparently has tightened again, and interest rates have started to increase. A major reason cited for the tightening is the presumed fast economic growth.



But the real question is whether the economy is growing too fast.

I don't think so. Some 9 million people still are out of work. Unemployment among teenagers still is close to 20 percent, for blacks nearly 17 percent and twice the number of married men are out of work now compared with five years ago.

Manufacturing capacity utilization is up to 80 percent, but still significantly below the 85 percent levels of the late 1970s. Industrial production is up from the pre-recession year of 1979, but the total picture can be misleading. For example, while production of consumer goods, chemicals and food is up, production of primary metals and transportation equipment, including autos, is down. In the past five years the percentage of workers employed in industries producing goods has declined from 30 percent to 27 percent and the percentage of those employed in service industries has increased from 71 to 73 percent.

Moreover expenditures for industrial construction are nearly a third below last year.

No, the problem is not runaway private economic growth. The pickup is

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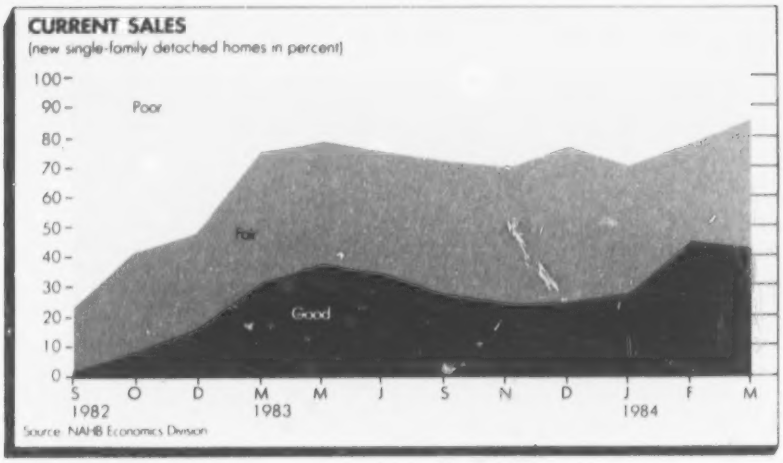
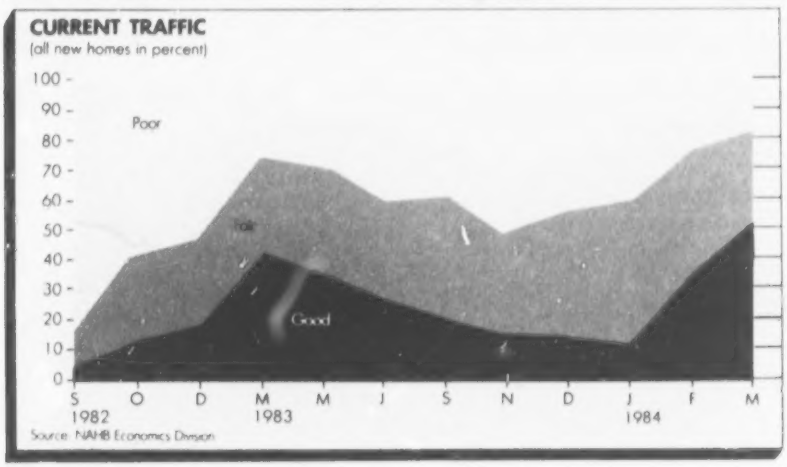
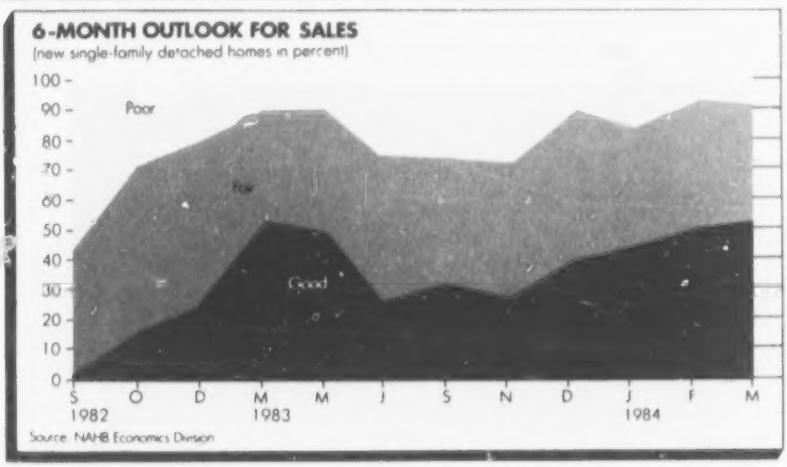






A VERY GOOD YEAR

Housing is off to a fast start this year, and an overwhelming majority of builders expect new home sales to remain strong at least through the November elections.

According to the March BUILDER poll, traffic and sales are better than they have been for a long time. For example, a builder from Washington said, "The market here is stronger than it has been since 1979." And a builder from Massachusetts said, "It's finally a sellers' market again."

Nationwide almost 90 percent of the builders surveyed reported that new single-family home sales (top chart) and traffic (middle chart) were fair to good. In both cases the reports had not been this favorable since 1978.

The market appears to be strongest in the Northeast, where 61 percent of the builders said sales were good, and weakest in the North Central region, where only 13 percent of the builders reported good sales. About half the builders in the South and a third of those in the West said sales were good.

The current optimism carries over into the near future. More than 90 percent of those surveyed expect sales to remain strong for at least six more months. The most common comment: 1984 looks like a very good year for housing.

The information on this page is based on a survey of approximately 800 builders. The survey, conducted each month for BUILDER by the NAHB Economics Division, asks builders to rate present new home sales, current traffic and the six-month sales outlook as either good, fair or poor.

BORROWER'S MARKET
Builders of income properties are enjoying a buyer's market in short-term, fixed-rate commercial mortgages. In its monthly Benchmark Survey of the income-property mortgage market, Citicorp Real Estate quoted one mortgage lender's description of the present situation. "Lenders are under pressure from having so much money to put out, and borrowers play one lender off against another. They are asking for every possible advantage on their deals, or they will stay on their open-end construction loan." The most common concessions developers seek are more lenient lease-up requirements, higher loan amounts in proportion to projected income and fewer restrictions on additional financing from other sources.

BULLISH ECONOMISTS
Investment advisors and economists surveyed by an international accounting firm predicted robust improvement in the 1984 economy. The 42 participants in the eighth annual Peat Marwick Survey of Economic and Capital Market Expectations forecast a 22.5% increase in corporate profits, a 10.9% growth rate in commercial real estate investments, 10% growth (or 4.9% adjusted for inflation) in the gross national product, and a 17.4% total return on common stocks. They expected inflation to increase to 5% this year and keep going up. Unemployment is expected to gradually decrease to 6% by the year 2000. "The majority of survey respondents believed that the Federal Reserve is fostering sufficient, not excessive, monetary growth, and that the budgetary gap will narrow as the economic recovery progresses," reported William A. Dreher, a partner at Peat Marwick.

HOUSES ARE NO SMALLER
The median size of new detached houses last year was 1,490 square feet—virtually unchanged from the year before, according to the NAHB Economics Division. After dropping in the first quarter of 1983, the median size rose during most of the year before falling off to 1,513 square feet in the fourth quarter. The strongest shift to larger houses occurred in the North Central where the proportion of new houses with less than 1,000 square feet fell from 20% in the first quarter to 12% in the fourth. At year-end 7% of all new detached houses nationwide had less than 1,000 square feet, 42% had 1,000 to 1,500 square feet, 27% had 1,501 to 2,000 square feet, 15% had 2,001 to 2,500 square feet and 9% had more than 2,500 square feet. The median size of attached homes declined slightly to 1,359 square feet.

FOREIGN CAPITAL FOR HOUSING
Marks, yens, pounds and other currencies will be available to the housing industry in 1984, according to Robert W. Karpe, president of Ginnie Mae. Ginnie Mae and HUD have been working together to tap foreign sources of capital by marketing Ginnie Mae securities worldwide with a mortgage-backed securities program. At a recent Western Manufactured Housing Institute meeting, Karpe announced the success of this endeavor and assured his audience that the program "will help the entire housing industry, including manufactured housing, to show continued improvement."

BAD DEBTS ABOUND
An 8% increase in the single-family mortgage delinquency rate from the third to fourth quarter of 1983 was reported by the Mortgage Bankers Association's National Delinquency Survey. The increase is the first since the first quarter of 1983 when a record high level of delinquencies was reported. Only 20% of the delinquencies were in the most serious category of 60 or more days past due. Meanwhile, the foreclosure situation continued to improve in the fourth quarter, continuing a trend that began in the third quarter. Foreclosures represented only 10% of loans with delinquency problems.

CONTINUED FROM PAGE 11
normal, but it has been accompanied by a very aggressive, expansionary fiscal policy that one economist estimates accounts for one-quarter of the economic growth.

Abnormally high interest rates are another problem. They are enticing foreigners to finance our deficit, which makes the dollar expensive and forces jobs overseas.

Another problem: We let the economy take long nose dives then try to turn it around in short order. Housing is a good example of that. Starts decline rapidly and dramatically. Lots of people get hurt in the process, and it makes for an inefficient industry. Builders go bankrupt, tradesmen move on, then, when the recovery begins, there's a mad scramble to produce housing.

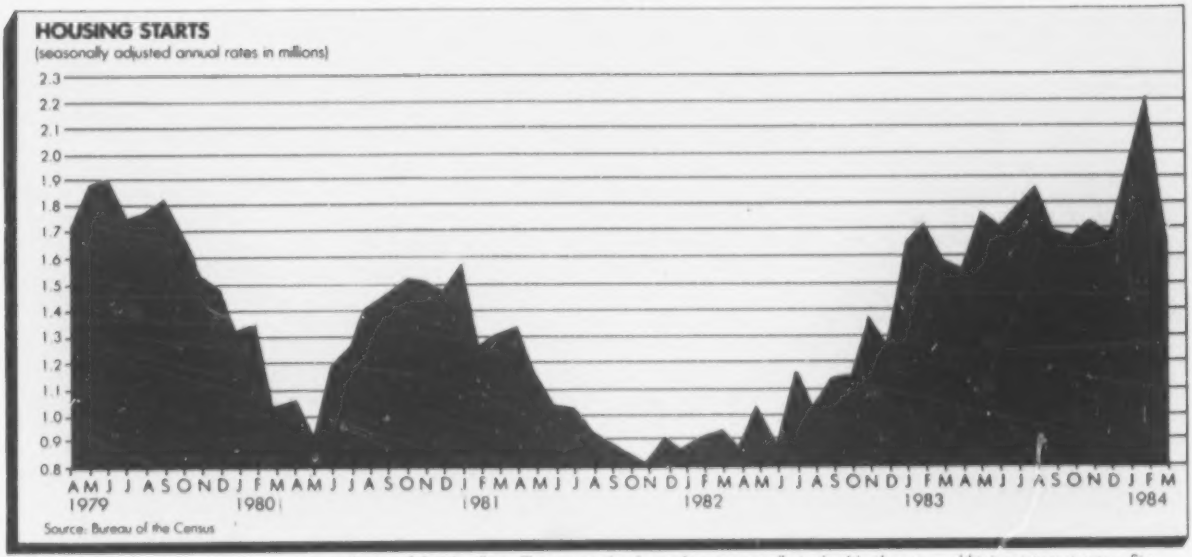
Housing desperately needs more stability and less violent cycles. Compare the roller coaster-like cycles of American housing starts with the straight lines of production in Germany and Austria. Instead of enjoying prosperity and keeping an eye on longer-term economic development, some economists are decrying the growth in GNP and the fact that housing starts reached the 2 million unit level.

Is this housing recovery out of control? It might seem that way in comparison with the last several years, but it isn't by any historical standard. In past recoveries starts rates often ran close to 2.5 million units in any given month.

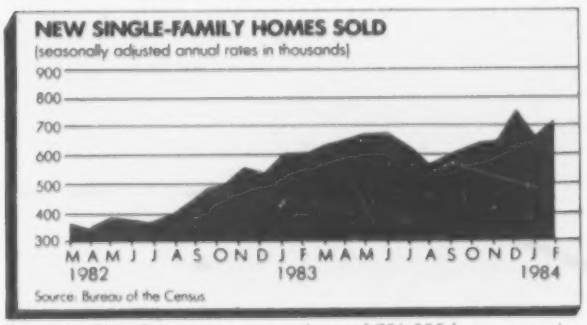
In any case, the 2 million starts rate will not last for long. Our 1984 forecast calls for 1.83 million starts. The first look into 1985 shows a decline to 1.54 million units, or a drop of 16 percent.

Is the economy overheated? "I don't think the economy is overheated. I think there are some overheated economists," summed up Preston Martin, vice chairman of the Fed.

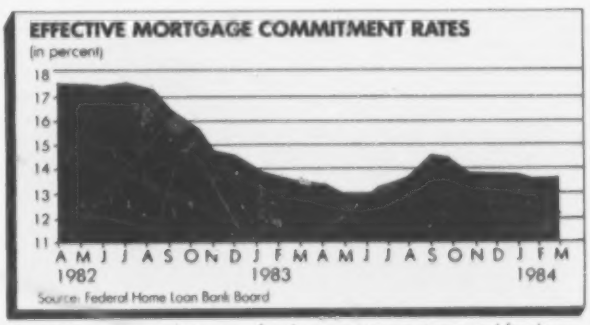
Let's enjoy the fruits of the recovery, not kill it by forcing higher interest rates.



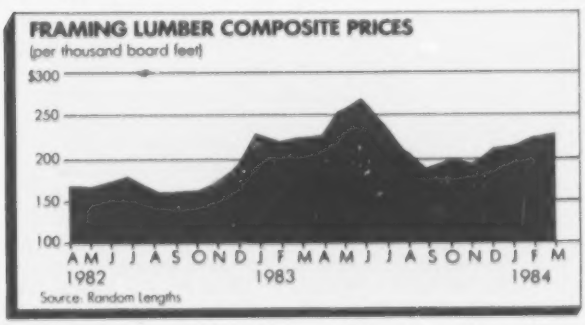
Starts dropped 26.6% in March to an annual rate of 1.64 million. The cause: bad weather, especially in the Northeast, and higher interest rates. Single-family starts fell 29% to 1.03 million while multifamily starts declined 22% to 612,000.



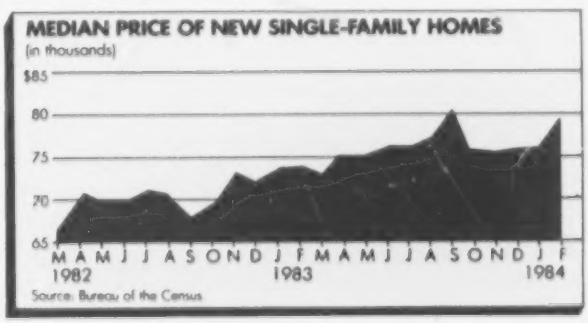
Sales rose 8% in February to an annual rate of 721,000 from a revised January rate of 669,000 units. The February sales rate was 22% higher than a year earlier.



Commitment rates on long-term, fixed-rate mortgages increased five basis points in March to 13.74% while uncapped adjustable rates dipped 11 basis points to 12.12%.



Lumber prices increased 2% in March to $234 per thousand board feet. It was the fourth consecutive monthly rise. The March price was 3% higher than a year earlier.



The median price jumped nearly 4% in February to $79,500 from an upwardly revised January price of $76,500. The February price was 7.7% higher than a year earlier.

"Continued economic growth, rising employment, low inflation and modest energy costs all contribute to a healthy housing market," commented Lawrence Chimerine, chairman and chief economist of Chase Econometric Associates, an economic forecasting firm.

"When people feel confident about their jobs, they are more in a mood to buy houses."

At first glance, the mix of starts early this year held some surprises. The single-family sector accounted for all of the starts increase in January, but the situation was reversed the following month when multifamily starts jumped 25 percent. Overall, however, the mix of single-family and multifamily was in line with historical ratios.

"It wasn't so much that multifamily starts were high in February as that they were low in January," Harter explained.

The big question on everybody's mind is, "How long will the good times roll?" And that, of course, depends on interest rates which already are on the rise.

Secondary mortgage market rates began edging up in mid-February, and the VA rate and the prime rate both moved up half a point in March. The VA rate increased to 13 percent, highest since last October, and the prime rate rose to 12 percent, highest in more than a year.

Nevertheless, most economists expect the housing market to remain strong into the summer. They don't expect interest rates to become a major obstacle until after the election; in fact Harter believes rates could dip this summer before heading up again.

NAHB surveys show that builders expect exceptionally strong single-family sales through summer. Builders are less optimistic, however, about townhouse and condo sales, and they are very worried about the total sales picture for the end of the year, when rates may climb again.

Chimerine agreed that "we will see higher rates later this year and early next year." But unlike some other economists he doesn't think the rate hikes will be caused by credit tightening on the part of the Federal Reserve Board.

"The Fed won't restrict credit," Chimerine predicted, "but it also won't accommodate rising private sector credit demands. And that will result in higher rates."

Carol Anderson, News Editor

Housing starts shot past the 2 million mark earlier this year, but economists say that steamy pace can't last past summer.

FINANCE

HOMAC COURTS NAHB ASSOCIATE MEMBERS

HOMAC, NAHB's spin-off mortgage corporation, has opened up its membership to associate members of NAHB, apparently in an effort to boost enrollment.

Access to HOMAC's financing programs is expected to appeal primarily to two kinds of associates: financial institutions and real estate brokers, which together account for 13,800 NAHB members.

However, one of HOMAC's most important programs, a conventional mortgage commitment program, will not be available to associates due to difficulties with the Wall Street intermediary. That program, which was scheduled to be tested in six markets beginning last month, allows interest rates to be locked in up to eight months in advance.

Programs open to associates are the FHA-VA discount point cap commitments, which guarantee a maximum number of discount points on government-backed mortgages, and the FHA-VA builder bond program, which provides participants with direct access to the capital markets as well as significant tax advantages.

Altogether, HOMAC has issued $500 million in commitments since it went into operation in the fall of 1982.

In addition to the mortgage commitment program, HOMAC plans to introduce a conventional builder bond program this summer.

Although HOMAC is courting associates, builders will retain full control of the mutual corporation. Only they can vote.

FINANCE

FIRST-TIME BUYERS CLAIM RECORD MARKET SHARE

First-time buyers claimed a record 40 percent of the conventional housing market last year—up from only 14 percent two years ago.

That was one finding of a nationwide home buying survey released last month by the U.S. League of Savings Institutions. The survey analyzed 13,000 conventional mortgage loans (on both new and existing homes) originated during the first half of last year by 371 S&Ls.

The league attributed the surge in purchases by first-time buyers to lower interest rates—mortgage rates, including adjustables, averaged 12.2 percent in 1983 compared with 14 percent in 1981—the growing acceptance of ARMs, lower down payments and the large number of lower-priced existing homes on the market.

ARMs, especially discounted ones, helped the conventional mortgage market gain an even greater proportion of the first-time buyer market. Nevertheless, many first-time buyers went with FHA loans; they accounted for 66 percent of all FHA activity last year.

The survey also found that only 19 percent of the homes purchased with conventional mortgages last year were new, down from 26 percent in

HOUSE PRICES
(price distribution of conventionally financed homes purchased nationwide)

Price	1977	1979	1981	1983
Less than $30,000	18.6%	10.1%	6.9%	10.0%
$30,000-$49,999	43.8	27.9	16.9	20.8
$50,000-$69,999	22.7	28.6	24.4	24.5
$70,000-$89,999	9.4	17.1	19.2	16.8
$90,000 or more	5.5	16.3	32.6	27.8
Median price	**$44,050**	**$58,000**	**$72,000**	**$65,000**

Source: U.S. League of Savings Institutions

1981. Why? Dennis Klaeser, survey research associate with the league, believes it's because of the increase in the number of first-time buyers, buyers who tend to buy less expensive existing homes.

However, the percentage of new home sales fell among repeat buyers too, down from 27 percent in 1981 to 21 percent in 1983.

The influx of first-time buyers also reduced the median price of all home purchases financed by S&Ls by $7,000 to $65,000. That's a drop of nearly 10 percent between 1981 and 1983.

First-time buyers paid a median price of $54,500 for conventionally financed homes last year versus $58,900 in 1981. The median price paid by repeat buyers remained at $75,000.

Other survey findings:

- Existing homes purchased by first-time buyers were older last year; 46 percent of those homes were at least 25 years old compared with 36 percent two years earlier.
- A record 55 percent of all buyers made down payments of less than 20 percent last year.
- Median income required to buy the median-priced home declined from $39,196 in 1981 to $35,987 last year.
- Median income of repeat buyers rose to $41,347 from $40,197 during the two-year period while the median income of first-time buyers fell to $29,571 from $34,083.
- The median age of first-time buyers rose to 29.3 years in 1983 from 28.1 years in 1981 and 27.8 years in 1979. The median age of repeat buyers rose even more, to 38.3 years from 34.7 years in 1981 and 33.6 years in 1979.
- Home buyers tended to be more traditional household types last year. For example, 74 percent were married versus 70 percent in 1981.
- Two-income households accounted for nearly 54 percent of home purchases, up from 52 percent in 1981 and 47 percent in 1977, the first year the league conducted the survey.
- New homes were smaller last year. The median size declined from 1,667 square feet in 1981 to 1,536 square feet.
- The percentage of homes priced under $70,000 increased significantly between 1981 and 1983, but the largest single price category was $50,000 to $70,000 in both years.
- Homes were most expensive in California. The market with the highest median conventional home price last year was Los Angeles-Long Beach ($139,950), followed by Anaheim, Calif. ($125,018), Washington, D.C. ($120,600), San Francisco-Oakland ($120,074) and San Diego ($106,000).

DESIGN

NEW AMERICAN HOME SELLS ON FIRST DAY

Update on The New American Home.

The idea house built in Houston for the NAHB convention earlier this year and cosponsored by BUILDER (see December 1983 issue) turned out to be a hot item. It was sold the first day it was on the market, reported Bob Richter, general manager of Village Builders, the company that built the house.

After being toured by about 5,500 people during the nine days it was open in late January, the house sold in mid-February to an empty-nester couple. The selling price was $100,000, including approximately $25,000 worth of landscaping and decks.

The 1,500-square-foot, three-bedroom, two-and-a-half-bath home would sell for about $80,000 in most markets without the lavish exterior amenities.

Although building the house wasn't a breeze—a hurricane hit during construction causing about $12,000 in damage—Richter said he picked up design ideas to use in a new line of affordable houses. Such features as 9-foot ceilings on the first floor, luxurious master baths with whirlpool tub, innovatively shaped windows, steep gables and optional built-in bookcases helped sell nine units in two weeks, Richter said.

Photo: Copyright Robb Miller 1983

The New American Home, an idea house cosponsored by BUILDER, sold the first day it was on the market.

Designed by Booth/Hansen & Associates, Chicago, the idea house was sponsored by *Good Housekeeping* magazine and the National Council of the Housing Industry (NCHI), a group of manufacturer members of NAHB, in addition to BUILDER. A second idea house will be built in Houston in time for next year's NAHB convention. This one will be designed for the move-up market.

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Traditionally, points are built into the interest rate and fee structure of a loan and accrue directly to the lender's bottom line as a reserve against future losses. The new loan would require the borrower to pay points, but it would identify them up-front as a risk premium and place a portion of the charge in an interest-bearing reserve account.

The borrower would own the account but pledge it at least two points to meet payment shortfalls over the life of the loan. (That two-point reserve is "critical to the success of the loan," said Kane.) If rates should rise at any adjustment period, more of the borrower's payment would be applied to interest and the excess portion of the payment would be added to the reserve fund. The loan balance would remain the same.

If rates rise so much that the monthly payment is not large enough to cover the interest, the lender would take the difference out of the reserve fund. Thus, the difference between the borrower's fixed monthly payment and the higher payment required under the adjustable feature of the loan would be paid from the reserve account, not out of the borrower's pocket.

If rates do not change, the loan is amortized at its stated rate and maturity. And if rates decline, the borrower continues making the same payments but only the principal and interest corresponding to the new rate are applied to the loan. The excess is added to the reserve fund. When the loan is paid off, whatever is left in the fund is returned to the borrower.

Thus, the reserve fund protects the borrower from increased payments in periods of rising interest rates and is a system of forced savings when rates are falling.

Kane and Christian spent three months running their loan through their computer. Even in worst-case scenarios, it performed fairly well. Between 1978 and 1981, for example, the worst period of interest rate volatility on record, the loan would have played out "remarkably well in several aspects," Kane said.

In that time, the 12-month average on the one-year Treasury bill rate jumped more than 5.5 percentage points. Although several years of interest-only payments would have been required under the new loan, a borrower's loan balance would have been only slightly higher than it would have been with a fixed-rate mortgage.

But the lender would have achieved his desired yield by drawing from the reserve account. And, even after six years, there would have been something left over for the borrower.

If he had taken out an uncapped adjustable loan indexed to the T-bill rate in 1979, his payments would have skyrocketed 40 percent. And if the loan had carried a payment ceiling, there would have been significant negative amortization.

The new loan is not without its drawbacks, however. It's difficult to explain, so it could be tough to market. Also, borrowers can't continue to make interest-only payments forever. If interest rates keep rising, the loan eventually must be renegotiated at a higher rate. But if that happens, at least the borrower can sink what's left in his reserve fund into his loan balance and trim his new payments a bit.

Later, when the loan finally is paid in full and the fund balance is returned to him, instead of having only nonliquid assets, the borrower will get some cash.

Lew Sichelman, a syndicated housing columnist

ECONOMY

RENTAL STARTS TO PLUNGE

Rental starts will fall at least 7 percent this year to an estimated 400,000 units, predicts Advance Mortgage Corporation.

Most of the decline will occur in Texas where Advance expects rental starts to plunge from 110,000 units in 1983 to 65,000 units this year. But even with the reduced level, Texas will provide 16 percent of all rental starts in the country this year.

The rest of the decline in rental starts is expected to take place in other Southern and Mountain region markets where starts should drop 6 percent to about 150,000 this year.

RENTAL HOUSING VACANCIES
(in percent)

	End of 1982	End of 1983
South	5.9%	7.3%
West	5.9	4.4
Northeast	4.1	3.7
Midwest	6.1	6.1

Source: Advance Mortgage Corporation

In the Northeast, Midwest and on the West Coast, however, rental starts should increase 16 percent to 185,000 units.

Still, rental construction will be heaviest in Sunbelt cities even though vacancies in a number of markets are high and rising while tight rental markets persist in the North and on the West Coast.

Vacancies in some Southern cities, notably Houston, San Antonio and Oklahoma City, are now as high as 20 percent, according to Advance.

Rental vacancies in the South as a whole jumped from 5.9 percent in the fourth quarter of 1982 to 7.3 percent in the fourth quarter of 1983, the Census Bureau reported. During the same period, the vacancy rate declined in the West and Northeast and remained unchanged in the Midwest.

Why the rush to build rentals in the saturated South?

"The bulk of new rentals are built to be sold to syndicators," noted Charles Wingo, executive vice president of Lomas & Nettleton Financial Group, owner of Advance Mortgage.

Syndicators and their investors along with lenders and builders "perceive Sunbelt markets as holding a persistent advantage in gaining employment and population," Wingo said. "There is a deeply held faith that no amount of building in these markets can be excessive over the long term. By contrast, the markets in the North and most of those in the West are seen as mature or declining."

What may stop the overbuilding is a tax change that Wingo said is certain to be considered by Congress this year. "If tougher tax treatment of accrued interest is enacted and made to apply from the date of introduction, syndicator buying will quickly slow down."

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The 18 units sold out last fall a month before construction was completed, according to Jim Manning, a principal in Manning Knapp Watson Architects and Planners, the Boulder firm that designed and built the project.

Priced from $46,500 to $51,000, the one-bedroom condos were a bargain in high-priced Boulder where, according to Manning, "virtually nothing is available below $60,000."

Half the buyers were young single professionals and half were university students and their co-signing parents.

The most striking feature of the project is the exterior design. Manning describes it as "traditional with a Victorian flavor." He said the project is designed to look like large estates.

Each of the three sections contains six units. Two of the sections are attached but offset about 8 feet, creating angled wall and roof lines. Such architectural details as dormers, fan windows, bay windows, gables, covered porches, decks and enclosed stair towers look Victorian, while white trim and railings help tie the elements together and give the project a clean, understated air.

Twelve of the units have bedroom lofts. The loft units, which on top floors feature skylights and fan windows, were by far the most popular, Manning said.

Other interior amenities include fireplaces, traditional molding, oak floors and more closet space than is found in most tiny units. Each condo has linen and entry closets and at least 8 feet of clothes closet in addition to basement storage. Some loft units have walk-in closets.

"I can't stress enough the importance of storage space in a 400-square-foot unit," Manning said. Another key to making tiny plans work is a tight circulation pattern. "We cut down circulation by using a pinwheel design with all the rooms coming off the entry."

Though affordability was the goal, energy efficiency was an important concern. Energy features include an active solar hot water system, R-22 walls, R-33 ceilings and individual electric metering.

A primary reason the condos are so small is that the city allows double density for a project with units no larger than 400 square feet. The Bridgford Place site is 100 by 140 feet, so project density works out to 56 units an acre. Hard construction costs totaled $41 a square foot.

Carol Anderson

Photo: Robert Spraggins

Tiny, 400-square-foot condos occupy these buildings in Boulder, Colo.

CONSTRUCTION

WATCH OUT FOR ACCIDENTS ON THE JOB

Accidents happen for one of two reasons: unsafe conditions or unsafe acts. We hear a lot about unsafe conditions, but they account for only 20 percent of all accidents on construction sites. All the other accidents are the result of unsafe acts.

These have many causes, such as improper attitude or distracting personal problems of workers, lack of knowledge or skill, unsuitability for the job and an improper work environment.

Reducing unsafe acts means providing better training and closer supervision for employees. It's all a matter of planning.

First, think about safety when budgeting. For example, if a job calls for hoisting concrete panels up the exterior of a building, it would cost less to use a small crane. But the crane could tip over. A large crane would cost a little more up-front but would eliminate the risk of an accident and might actually save money in the long run by getting the job done faster.

Next, consider safety when selecting subcontractors. Look at their safety record. It's tempting to go with the low bid, but the money saved could be peanuts compared with the cost of signing on with an accident-prone contractor.

Train all employees in safety procedures. They should know how to use fire and first-aid equipment. That equipment should be adequate for the job. It should be located in the right place, be easily accessible and up-to-date.

The people who give first aid should know what they are doing. If not, they could make the injury worse —which might lead to a lawsuit. And have a plan of action for each job site. Find the nearest hospital and determine how to get injured workers there.

The job superintendent must take the lead in loss control. A commitment should be made to on-site safety inspections. Someone should look at the site from a loss control point of view at least once a week—looking for worn or

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damaged equipment, frayed cords, improperly assembled scaffolding and other danger signs.

Finally, investigate all accidents thoroughly—even the near misses.

It's important to know what caused an accident. To find out, ask the same questions a reporter asks: who, what, when, where, how and why. "Why" is especially important. Why did this accident happen? Why was this particular piece of equipment used? Did the operator know how to use it? Why were these materials stored here?

The investigation should begin even while rescue operations are going on. After the cleanup, important evidence could be lost.

A thorough investigation probably could determine which unsafe condition contributed most to the accident. But all unsafe conditions should be corrected.

When the investigation is complete, file all the necessary reports. Do it quickly and completely. The first report of injury form is not enough. Also use an accident investigation form. While forms are a bother, complete data may make it possible to pass the costs of the accident on to others—to the manufacturer, supplier or subcontractor involved.

Also, the accident might involve a third party. Third parties can sue so be ready for possible legal action. Complete, accurate documentation is important.

Proper loss control means fewer accidents. Fewer accidents will keep valued employees working, save money on insurance, avoid lost production time and avoid the cost of replacing damaged equipment.

J. Philip Berggren, director of technical services for Aetna Life & Casualty, is a workplace safety expert.

ACCIDENTS IN HOME CONSTRUCTION

Type of accident	Percent of total
Struck by or against machinery/tools	27.8%
Overexertion	23.2
Fall	21.1
Muscular injury (not due to lifting)	6.3
Caught in, under or between	4.8
Abrasion	3.9
Contact with radiation or caustics	2.8
Contact with extreme temperatures	2.4
Accident involving motor vehicle	1.7
All other	6.0

Source: Bureau of Labor Statistics Supplementary Data System. Based on 1980 workers' compensation records from 18 states.

SURVEY

HOUSES ARE GETTING BIGGER AND BETTER

The trend toward smaller houses may be over. Last year, for the first time since 1979, the median size of new single-family houses increased. And, in addition to being bigger, the houses had more amenities than those completed in 1982.

Those were major findings of surveys conducted by the Census Bureau and the Department of Housing and Urban Development.

The recently released survey results showed that single-family completions increased 46 percent in 1983 to 921,000 and completed multifamily units rose 24 percent to 464,000.

The median size of new houses last year was 1,565 square feet, an increase of 45 square feet or 3 percent from the year before. The opposite, however, happened with multifamily units. Their median size declined 3 percent to 895 square feet last year. The drop occurred because a greater proportion of multifamily units built last year were for rent—67 percent compared with 61 percent in 1982.

Of the new single-family houses completed last year proportionately more had two or more bathrooms, central air conditioning, a multiple-car garage and a fireplace. One characteristic that didn't change was the number of bedrooms. Most (59 percent) still had three.

Although electricity remained the primary heating fuel, servicing 49 percent of the new single-family houses built last year, the proportion of gas-heated houses rose to 44 percent from 40 percent in 1982.

As for the type of heating system provided, proportionately more houses were equipped with warm-air furnaces (56 percent, up from 53 percent) and electric heat pumps (29 percent, up from 26 percent).

Multifamily units built last year were more apt to have air conditioning (89 percent, up from 87 percent) but fewer bathrooms—33 percent of the multifamily units had two or more bathrooms, down from 36 percent the year before.

FEATURES OF NEW SINGLE-FAMILY HOUSES

Features	Percent of houses with these features 1982	1983
Central air conditioning	66%	70%
Bathrooms		
1	22	18
1½	11	10
2	45	48
2½ or more	22	24
Fireplace(s)	54	57
Parking		
one-car garage	15	14
garage for two or more cars	50	54
carport	8	7
no garage or carport	27	25

Source: Census Bureau

MARKETING

BUILDERS LET THE RADIO DO THE TALKING

"Stop" reads a simulated stop sign in front of a group of model homes in Columbia, S.C. "Tune your radio to 960 AM for information on houses in the Woodlands."

Visitors who tune in then get basic information about the project, price range, types of models, visiting hours.

Not only does the talking sign get people talking about the Woodlands,

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Marcus has had no problem finding tenants for the homes purchased by investors. Several of the new renters are job transferees from other cities who were reluctant to buy until sure the relocation would work out. And several others were wary of buying a mobile home but found the option idea a good way to give it a try.

For Marcus, the lease option "catapulted activity at the site. We finished phase one and are starting phase two," he reported. In all, he plans to have 58 units situated around a small lake.

Penelope Lemov

MARKETING

SAN DIEGO BUILDER PARES WASTED SPACE

Homes are too big and San Diego builder William R. Effinger can prove it. He conducted a five-year study in San Diego and Orange counties that found more than a quarter of the space in a two-bedroom house is wasted.

For the study, 5,000 single-family homeowners and buyers, working couples under 40 without children or with one child at most, were interviewed about their use of space. This profile was used to create a hypothetical 1,200-square-foot house (see floor plan).

Effinger computed the amount of use each room received for a month. He then translated that use into a dollar amount by equating square footage with the monthly mortgage payments. He found that the wasted space cost nearly a third of the projected $1,212 monthly mortgage.

The living room ate up $190 of the mortgage and provided only $5 worth of use. Almost as bad was the den, which cost $84 and provided only $5 in use.

The second bedroom was a $128 extravagance providing only $3 worth of use, while the second bathroom cost $49 and received only $2 worth of use.

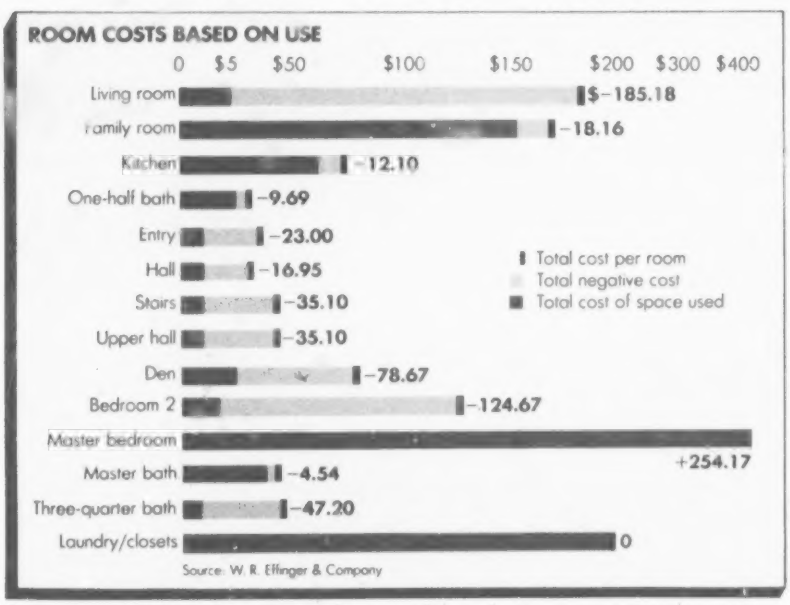
Laundry rooms and closets performed their functions 24 hours a day and were worth their cost, Effinger concluded.

Only the master bedroom earned a plus rating. Based on its size, the master bedroom accounted for $150 worth of the mortgage. But because it was used eight hours a day for sleeping and at other times for dressing, lounging and other activities, it got $250 worth of use.

President for seven years of Shapell Industries, San Diego, Inc., a building company, Effinger formed W.R. Effinger & Company to market his ideas about use of space. He devised several smaller but more useful floor plans, ranging from 315 to 812 square feet. The condos have high ceilings, multi-purpose rooms and no hallways. By using Murphy beds, fold-down dining tables and other in-the-wall furnishings, Effinger said he puts twice as much usage into his units as his competitors have in larger apartments.

Effinger plans to deliver nearly 500 of these $33,000 to $83,000 units this year to first and last-time buyers in San Diego. He also plans to build them in several other cities in the West and Texas.

Lew Sichelman



The graph puts a dollar value on the use of space and shows that every room except the master bedroom is underutilized. The plans above show how space is actually allocated and how it might be allocated based on use.

SURVEY

THE AMERICAN DREAM HASN'T CHANGED

Not everybody agrees with William Effinger (see "San Diego builder pares wasted space" above) that houses are too big. While conceding that owning a home requires a lot of work and puts a strain on family finances, most households still aspire to the American dream of owning a traditional single-family detached house with lots of space and a private yard. That's the major finding of a study of consumer attitudes by the Housing Futures Group, a program of the Harvard-MIT Joint Center for Urban Studies sponsored by a group of 20 diverse organizations with interests in housing.

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And it raises some important questions: Are too many builders concentrating on smaller units built at higher density? Is the housing industry abandoning a large segment of the marketplace?

A preliminary assessment of the 20-page study, which drew a remarkably high response rate from the 5,000 households to which it was mailed, seems to indicate an affirmative answer to both questions.

(Half the recipients were owners and half were renters, and the sample was divided equally between those who had moved within the past three years and those who were longer-term occupants of their dwellings. In addition, the sample was divided among six demographic groups defined by age, number-of adults and the presence or absence of children.)

Of the 4,300 respondents who completed the survey late last year, more than 50 percent, and most often 60 percent or more, were very satisfied or somewhat satisfied with each of the 25 aspects describing their housing. However, the study found two "noteworthy areas of dissatisfaction"—20 percent were unhappy with their amount of interior space and 19 percent were disappointed with the amount of yard privacy or outside space.

Of those dissatisfied with their interior space, 18 percent were owners and 24 percent were renters. Dissatisfaction was highest among members of young households—30 percent of both owners and renters age 30 or under versus 6 percent of the owners and 8 percent of the renters age 65 or over.

"These responses," said William C. Apgar, Jr., and Julie B. Wilson, who prepared a preliminary assessment of the survey, "indicate that adequate interior space and yard privacy, two elements associated with the traditional single-family detached house, remain important concerns of today's consumers."

In addition, three of four respondents identified one or more rooms they thought were too small. Kitchens and baths most often were rated too small, with about a third of the respondents expressing dissatisfaction with the size of those rooms.

ATTITUDES ABOUT ROOM SIZE

Room	Percentage of respondents who think it is too small	Percentage of respondents who think it is too big
First bathroom	37.1%	0.6%
First bedroom	32.8	0.7
Kitchen	30.5	0.9
Dining room	25.0	0.7
Living room	23.0	2.4

Source: Harvard-MIT Joint Center for Urban Studies, *Housing Futures Consumer Survey*

Renters tended to be more dissatisfied with outside space than owners, but a significant number of each—14 percent of all owners and 28 percent of renters— were unhappy with the lack of privacy of their outside space.

This analysis, the survey authors believe, is an important first step in assessing the changes in housing that are likely to emerge as a result of changing demographics and the persistent housing affordability problem. "Whether down-sizing is the wave of the future depends not only on the cost of housing, but on how much households are willing and able to spend to acquire larger single-family detached houses. The concern expressed by survey respondents about the amount of interior space and exterior privacy suggests that despite affordability problems, households continue to aspire to the larger, detached house," Apgar and Wilson commented.

Reinforcing this conclusion are responses to questions concerning the respondents' future housing plans. While 29 percent of all households plan to move within five years, more than half of those who are unhappy with the interior space in their present home plan to move. Most likely to move, the study found, are the groups that expressed the greatest concern about both exterior and interior space—namely young singles, young couples and families with young children.

In describing their most likely new house, most respondents indicated they favor a detached house; despite the fact that a majority agreed that ownership takes a lot of time and 41 percent conceded that it takes two incomes to afford a mortgage at today's prices. Although interest in owning a detached house is highest among middle-aged households, 48 percent of renters age 30 or less believe they will own their own home within five years.

As could be expected, young and middle-aged households plan to move to larger, more expensive homes while older households are more interested in moving to smaller houses. Undoubtedly some young families will move into homes vacated by older families and the elderly will occupy the smaller units the young vacate. But only 5 percent of all the elderly households plan to move within five years while 53 percent of those under 30 and 37.3 percent of those in the 30 to 40 age group will seek to relocate.

The authors admitted that the affordability problem could force some young households to scale back their dreams, but noted that many young families who already own houses have the ability to move up. "The equity that many households have in their current home," they ventured, "represents an important financial resource that will enable many current owners, at least, to fulfill their aspirations and move into better housing in the future."

According to the survey, households that already own detached houses have accumulated equities of $51,787 on the average. Although equity build-up is greatest for those who have owned their homes the longest, the survey found that even among households age 30 or less the average equity is a healthy $32,151.

Although the housing recession of 1980-1982 had a marked effect on consumer confidence, the authors added, most families still regard a house as a sound investment. In 1983, buyers returned to the market in numbers few analysts predicted, indicating that the surge will continue.

Lew Sichelman

be Los Angeles, where Chicago Title predicts $2.6 billion in non-res construction will occur. The title company also predicts San Francisco will lead in new office construction, San Jose will top the industrial construction market and Dallas-Fort Worth will lead in retail store construction.

FINANCE

CALIFORNIA BOASTS THE BIGGEST S&Ls

When it comes to savings institutions, California is where the money is.

Of the 10 largest FSLIC-insured institutions in the country, the top seven are in California, according to a recent survey by the U.S. League of Savings Institutions.

The largest non-California institution in the top 10 is First Federal of Michigan. American Savings, Stockton, Calif., is the biggest S&L, with nearly $22 billion in assets at the end of 1983. It was formed last year when State Savings merged with American Savings.

TOP 10 S&Ls

Institution	1983 assets (in billions)
American Savings & Loan Stockton, Calif.	$22
Home Savings of America Los Angeles	20
Great Western Savings Beverly Hills	17
California Federal Los Angeles	14
Glendale Federal Glendale, Calif.	10
First Nationwide Savings San Francisco	8
World Savings & Loan Oakland, Calif.	8
First Federal of Michigan Detroit	8
Empire of America Southfield, Mich.	7
City Federal Elizabeth, N.J.	7

Source: U.S. League of Savings Institutions

A crowd gathers for the opening of a new phase of affordable detached houses in San Diego. All 29 units sold the first day.

MARKETING

BARGAIN HUNTERS FIND DISCOVERY HOMES

They're still camping out in San Diego.

A total of 18 families camped out at the Discovery project there in mid-March, some for up to a week, for the chance to buy single-family detached houses with affordable prices and below-market mortgage rates.

As a result, developer Walden Financial sold all 29 houses in phase two of the project by 3 p.m. the day the sales office opened.

"We expected a quick sellout, but 29 homes sold in six hours was truly surprising," said Debra Jones, vice president of marketing for the firm.

One attraction was a low, 10.25 percent, 30-year, fixed-rate mortgage provided by a city revenue bond program. Price was another draw, Jones said. The three and four-bedroom homes with two or two and a half baths sold for $77,500 to $94,000. The four plans range from a one-story with 1,070 square feet to a two-story with 1,585 square feet.

The Discovery development, located on 40 acres in the South Bay area, eventually will comprise 134 homes, according to the builder.

REMODELING

OLD FACADES STAY, NEW BUILDING GOES UP

Politicians are not the only ones in Washington, D.C., who play hardball. Utilizing provisions of one of the nation's toughest municipal preservation ordinances, Washingtonians have gone to court and won a number of battles to preserve old buildings.

As with politics, compromise dictates a final solution. In Washington, and more and more cities, facades are being preserved while new, and often far larger, buildings are constructed above and to the rear of the historic structures. This solution is designed to meet the needs of preservationists and developers too.

But it can require a great deal of ingenuity on the part of architect and builder.

Take Red Lion Row, a block-long grouping of 19th-century Italianate rowhouses along Pennsylvania Avenue not far from the White House. The bulk of the row was owned by an electrical contractor who began demolition in the fall of 1976 in order to sell an empty site to nearby George Washington University. That institution develops speculative office buildings at the perimeter of the campus as income-producing property.

Neighborhood groups and Don't Tear It Down, a Washington, D.C., preservation organization, had other ideas. A lawsuit halted the demolition, then protracted negotiations over the purchase and building design ensued. In July 1981, all parties agreed to a compromise solution that mandated preservation of the remaining rowhouse exteriors but allowed construction of a new, 10-story building to the rear.

The $45 million mixed-use project, called 2000 Pennsylvania Avenue, opened last September. The university, as a nonprofit institution, was

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Most major industries are dominated by a few giant companies. Home building isn't. Where General Motors and Ford claim control of more than 50 percent of the domestic automobile market, the two biggest home builders—U.S. Home Corporation and Lincoln Property Company—account for barely a 2 percent share of the home building market.

Nonetheless there is a move toward concentration and consolidation. Big builders are growing bigger and increasing their market share. Barbara Alexander, a housing analyst with Smith, Barney, Harris Upham & Co., predicted recently that the 400 or so largest builders would boost their market share from a third to more than a half by 1990.

In recognition of this, BUILDER is introducing a new, annual feature, the BUILDER 100, a listing of the 100 biggest builders in the country.

From number 1—Texas-based U.S. Home—to number 100—California's Fieldstone Company—the BUILDER 100 ranking is based on the number of housing units the companies built, the measure the housing industry best understands and most uses to measure success. All totaled, the BUILDER 100 built nearly 250,000 units, which means that just 100 companies built about one of every six houses built last year. Together, the companies controlled 15 percent of the total housing market.

The median number of homes built by BUILDER 100 companies was 1,400; the average, 2,489. A third of the BUILDER 100 companies built more than 2,000 units last year. The top five companies built more than 10,000 units each. Texas-based U.S. Home heads the list with 14,028 units, followed closely by Lincoln Property, 13,368; Pulte Home Corporation, 12,008; A.G. Spanos Construction, Inc., 12,000; and Ryan Homes, Inc., 10,620.

Of these top five, three concentrated on for-sale detached and attached housing; two built rental properties exclusively. The BUILDER 100 divides along similar lines: around 40 percent of the companies concentrated on for-sale housing, nearly 20 percent built rentals exclusively and about 40 percent were involved in both.

In addition to on-site home building, 89 BUILDER 100 companies have diversified their activities. Forty-nine manage property, 43 build commercial-industrial projects, 42 are land developers, 22 have mortgage financing divisions and 19 act as real estate brokers. Some venture far afield, publishing a magazine, operating a jetport, offering cable television services.

Eventually, their ranks may be joined by savings and loan institutions. Stan Ross, a partner with the Los Angeles consulting and accounting firm of Kenneth Leventhal & Company, observed that S&Ls are doing more with small builders right now but that several are developing the capability to build projects themselves. "They soon will be volume builders building in excess of 1,000 units a year."

While it is unlikely that big building companies will ever dominate this fragmented and decentralized industry, the 80s are nonetheless a time of change. But this is not the first time soundings about big builder growth have been heard.

"In the 70s we predicted large building companies would increase their market share, but that didn't happen," admitted Alan Wapnick, housing analyst for Dean Witter Reynolds, a Wall Street investment firm. "Money was available to small and large builders on terms that weren't markedly different." Wapnick looks to changes in the financial industry to give large builders an edge.

"They always had an advantage because of size and benefits of scale," he continued. "Now they have direct access to secondary markets. Not only can they raise mortgage money more easily but they can do installment sales and take advantage of other devices that defer tax obligations."

George Matters, president of U.S. Home, pointed to streamlined management as an important component of the new competitive edge big builders enjoy. "Historically, home builders have been undercapitalized, mom and pop operations with archaic management. As the financial side of the home building industry becomes more and more important, well managed, big building companies will be better able to utilize sophisticated financial instruments," he said.

Other changes in the industry encourage big builder growth. As there are more and more land-use regulations it takes more and more time to develop land, Matters pointed out. "It can take up to four years to fight land-use and zoning battles. Small builders may not have the carrying capital to hang in there."

Some big companies are growing bigger simply by being more aggressive. "The big companies clearly have a strategy to increase their market share. They're not doing large-scale development; they're doing more subdivisions, expanding their product line and, in many cases, increasing volume on a one-area basis," Ross observed.

As an example, Ross pointed to Orange County, California-based builder, William Lyon (number 43 on the BUILDER 100) as a company that isn't going into 20 different states but is getting bigger in its own backyard. Among BUILDER 100 companies, a third operated in only one state in 1983. Of these, 11 were in California, 10 in Texas, seven in Florida, three in Arizona, and one each in Oklahoma and Colorado.

But many BUILDER 100 companies are eager to move into new markets. C.E. Peck, chairman of the Ryland Group, Columbia, Md., stated flatly, "Multi-city home builders have an opportunity to gain market share. We intend to take advantage of that."

Most big builders won't move into new markets by buying up the competition. "Big builders can just as easily and for the same up-front costs build up a new market themselves," explained Smith Barney's Alexander. "Most companies prefer to use their home-grown talent that's been developed through their management program. That's better than bringing in people with a different style."

One major exception to that rule in 1983 was Denver-based M.D.C. Corporation (number 42 on the BUILDER

100) which moved into the Orlando and Phoenix markets by buying building subsidiaries of Olin Corporation that were operating in those cities.

As they flex their muscle, big building companies will inevitably squeeze others. But Ryland's Peck doesn't see the small builder as being adversely affected by big builder activity. "Consolidation is taking place and the cumulative market share of big builders will increase, but it will be evolutionary. There still are and always will be an awful lot of opportunities for small builders."

Echoing that sentiment, Merrill Lynch housing analyst Jonathan Goldfarb predicted that housing activity would expand in non-metro areas, "and big builders don't operate there, so there'll always be room for smaller builders."

The builders most likely to feel the squeeze are medium-size companies doing entry-level, lower-priced volume business—the same type of business big builders do—and those in the desirable markets where big builders are likely to enter. In 1983, 48 BUILDER 100 companies were active in Florida, 39 in Texas, 33 in California, 25 in Arizona and 24 in Colorado.

Other builders are not the only ones affected by an increase in market share by big builders. Manufacturers, particularly those who distribute through dealerships and distributors, may feel some dislocation. Pete Thornton, field sales manager for Cain and Bultman, Jacksonville, Fla., a distributing company for Jenn-Air, Kitchen Aid and Litton, noted that his customers have a hard time competing with other manufacturers' factory-direct sales to big builders.

Thornton noted that the fact that big builders build less expensive homes has an even more direct affect on his business. "We distribute high-end appliances. As the percentage of high-priced housing decreases, it affects our penetration. Percentage-wise, we're getting less business because the housing increases are in the low to medium price ranges."

What's bad news for some is good for others, and Wall Street looks kindly on the growth of BUILDER 100 companies. Thirty-one are publicly held—four of seven home building companies that went public in 1983 (BUILDER, November 1983) are BUILDER 100 companies. Wall Street experts believe more will go public as soon as home building stock prices rise. "Right now builders would rather raise debt capital and wait. But several will go public in 1985, right after the election," Ross predicted.

Alexander sees Wall Street receptive to such overtures. "Big building companies are financially respectable now. They used to be so highly leveraged there was always a fear of bankruptcy, but now they've gotten their acts together with good balance sheets."

Data for the 1983 BUILDER 100 was based, in part, on information collected by CMR Associates for the 1984 edition of its annual *Blue Book of Major Homebuilders.* The *Blue Book* provides business profiles of 2,600 large-volume building firms. To obtain a 1984 *Blue Book* send $125 to Blue Book, CMR Associates, 11-A Village Green, Crofton, Md. 21114.

MARKET SHARE

TOTAL UNITS: 248,970
1.7 MILLION UNITS NATIONWIDE
14.6% REPRESENTED

WHAT THEY BUILD

DETACHED FOR-SALE: 60 COMPANIES
ATTACHED FOR-SALE: 67 COMPANIES
RENTAL: 57 COMPANIES

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
1	**U.S. Home Corp.** 1800 West Loop South Houston, Tex. 77027 (713) 877-2311	Public/Guy R. Odom, *chmn.*, George H. Matters, *pres., COO*	**14,028**	8,715	5,313	
2	**Lincoln Property Co.** 1800 Two Turtle Creek Village Dallas, Tex. 75219 (214) 521-8200	Private/A. Mack Pogue, *chmn.*	**13,368**			13,368
3	**Pulte Home Corp.** 6400 Farmington Rd. West Bloomfield, Mich. 48033 (313) 661-1500	Public/James Grosfeld, *chmn., CEO*, C. Howard Johnson and William J. Pulte, *co-chairmen of exec. comm.*, Roy F. Krag, *pres.*	**12,008**	8,107	3,901	
4	**A.G. Spanos Construction, Inc.** 1341 W. Robinhood Dr. Stockton, Calif. 95207 (209) 478-7954	Private/A.G. Spanos, *chmn., CEO*, Dean A. Spanos, *pres.*	**12,000**			12,000
5	**Ryan Homes, Inc.** 100 Ryan Ct. Pittsburgh, Pa. 15205 (412) 276-8000	Public/Malcolm M. Prine, *chmn., CEO*, Steven J. Smith, *pres., COO*	**10,620**	10,620		
6	**Jim Walter Homes** 1500 North Dale Mabry Tampa, Fla. 33607 (813) 871-4611	Public (subsid. of Jim Walter Corp.)/James W. Walter, *chmn.*, (Jim Walter Corp.), Joe B. Cordell, *pres., CEO*, Thomas L. Hires, *pres.*, (Jim Walter Homes)	**8,706**	8,706		
7	**The Natl. Housing Partnership** 1133 15th St., N.W. Wash., D.C. 20005 (202) 857-5700	Public/George M. Brady, Jr., *chmn., CEO*, Robert Bennett, *pres.*	**7,714**	574	810	6,330
8	**Oxford Development Corp.** 7316 Wisconsin Ave. Bethesda, Md. 20814 (301) 654-3100	Private/Leo E. Zickler, *pres., CEO*	**6,850**			6,850
9	**Trammel Crow Resid. Companies** 2001 Bryan Tower Dallas, Tex. 75201 (214) 742-2000	Private/Danny Alberts, *managing partner*, Michael Crow, *partner*	**6,564**	91		6,473
10	**Weyerhaeuser Real Estate Co.** Bldg. QB2 Tacoma, Wash. 98477 (206) 924-3271	Private/J.W. Creighton, Jr., *pres.*	**5,750**	3,200	1,800	750

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$1,152	Ala., Ariz., Ark., Calif., Colo., Del., Fla., Ga., Idaho, Ill., Ky., La., Md., Minn., Miss., Mo., Nev., N.J., N. Mex., N.C., Okla., Pa., S.C., Tenn., Tex., Utah, Va., Wash., W. Va., Wyo.	Land development, manufactured housing, lumber/materials dealer, cement co.
$1,131	Nationwide	Property management, commercial/industrial construction
$863	Ariz., Calif., Colo., Fla., Ga., Ill., Md., Mich., Pa., Tex., Va., Wash., Wyo., P.R.	Mortgage financing
$550	Ariz., Calif., Colo., Ga., Kans., Nev., Okla., Tex., Wash.	Property management, commercial/industrial construction, investment banking, magazine, jet center
$598	Fla., Ga., Ind., Md., N.Y., N.C., Ohio, Pa., Va., Wash., D.C.	Component manufacturing
$302 (home building only)	Ala., Ariz., Ark., Fla., Ga., Ill., Ind., Kans., Ky., La., Md., Miss., Mo., N. Mex., N.C., Ohio, Okla., Pa., S.C., Tenn., Tex., Va., W. Va.	Mortgage/banking services, insurance services
$712	42 states, Wash., D.C., P.R.	Property management, repair/remodeling
$411	Conn., Fla., Ga., Ill., Ind., Ky., Md., Mich., N.C., Ohio, S.C., Tenn., Tex., Va.	Property management, mortgage financing, land investments, phone systems, cable TV services
$312	Colo., Fla., Ga., Mass., Okla., Tex., Va.	Property management, land development, real estate broker
$600 (est.)	Calif., Fla., Md., Nev., N.J., N.C., S.C., Tex., Wash., Wash., D.C.	Property management, commercial construction, land development, mortgage financing, insurance co., venture capital

U.S. HOME CORP.

With 14,028 starts, $1.15 billion in gross revenues and $27.6 million in net income (an increase of 128.2 percent over 1982) U.S. Home Corporation is number 1 in the BUILDER 100. And U.S. Home plans to stay there.

For the present, U.S. Home has earmarked two priority markets. "The major and primary thrust of our business today is the first-time home buyer; second is retirement communities," reported George Matters, president and chief operating officer.

For the first-time home buyer market, U.S. Home increased slightly the size of its single-family units last year. U.S. Home's mortgage corporation, which originated more than $302.8 million in mortgages in 1983, is trying a wide variety of programs to make homes affordable to more people. "We were the first in 1978 with mortgage-backed securities, and we try to stay in the forefront of that activity because that's the most important part of the home building business these days," Matters claimed.

U.S. Home will keep hammering away at this market through the use of off-site manufacturing. The company's newly acquired off-site capabilities—U.S. Home bought Brigadier Industries, a mobile home manufacturer, and Interstate Homes, a mobile and modular home manufacturer, in 1983—will allow the giant home building company to enter markets where the population is less than 200,000. These are markets that usually don't feel the presence of a volume builder, but Matters believes there are homes to be built and sold there. "Those areas are not conducive to normal on-site operations, but we can approach them through off-site and that's our growth and expansion area," he explained.

Ten years from now, U.S. Home's priorities will have changed. "Look at the demographics and you'll see the baby boom started in 1946 and ended in 1963. By 1992 the baby boomers will be empty-nesters," Matters noted. Therefore, U.S. Home, which already claims to be the nation's largest builder of adult-retirement communities, will move recreational adult communities into first priority position. First-time home buyers will be number two.

U.S. Home built Fairfax Landing in Houston for the first-time home buyer. The 1,180 to 1,350-square-foot detached homes sell for $62,000 to $66,000.

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
11	**The Ryland Group, Inc.** 10221 Wincopin Circle Columbia, Md. 21044 (301) 730-7222	Public/C.E. Peck, *chmn., CEO*	**5,491**	3,717	1,774	
12	**General Homes Corp.** 7322 Southwest Freeway Houston, Tex. 77074 (713) 270-4177	Public/Jeffrey P. Payson, *pres., chmn.*, Don Parr, *exec. v.p.*	**5,437**	4,837 (est.)	600 (est.)	
13	**Nash Phillips/Copus, Inc.** 6010 Brooks St. Austin, Tex. 78754 (512) 458-1141	Private/Nash Phillips, *chmn.*, Clyde Copus, *pres.*	**5,349**	3,610	683	1,056
14	**Centex Corp.** 4600 Republic Natl. Bank Tower Dallas, Tex. 75201 (214) 748-7901	Public/Frank M. Crossen, *chmn.*	**4,700**	Breakdown not available		
15	**American Continental Corp.** P.O. Box 29099 Phoenix, Ariz. 85038 (602) 957-7170	Public/Charles H. Keating, Jr., *chmn.*	**4,015**	3,050	965	
16	**Summers Associates, Inc. (Summers Companies)** 16800 Dallas Pkwy. Dallas, Tex. 75248 (214) 871-1987	Private/Carl W. Summers, *chmn.*	**4,000**			4,000
17	**American Diversified** 3200 Park Center Dr. Costa Mesa, Calif. 92626 (714) 641-6660	Private/Ranbir S. Sahni, *chmn., CEO*	**3,750**	50	150	3,550
18	**Gene Branscome Investments** 4721 Garth Rd. Baytown, Tex. 77521 (713) 420-5777	Private/Gene Branscome, Jr., *owner*, Herb McDonald, *exec. v.p.*	**3,600**			3,600
19	**Embrey Investments, Inc.** 750 E. Mulberry St. San Antonio, Tex. 78712 (512) 734-3342	Private/Walter M. Embrey, Jr., *pres.*, John A. Echols, *v.p., development*, Roger Bowler, *v.p., finance*	**3,400**		900	2,500
20	**Robertson Homes** 6653 Embarcadero Stockton, Calif. 95209 (209) 957-5981	Private/Barton R. Robertson, *principal*	**3,265**	547		2,718

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$400	Del., Fla., Ind., Md., N.C., Ohio, Pa., Tex., Va., Wash., D.C.	Mortgage financing, modular building, component manufacturing
$383	Fla., La., Tex.	Land development, mortgage financing, insurance/title co., architecture/interior design
$422	Tex.	Property management, commercial construction, land development, real estate broker, interior design
$1,200	Calif., Colo., Fla., Ga., Ill., Minn., Nev., N.J., Okla., Tex., Wash., Wash., D.C.	Commercial construction, cement co., oil and gas
$350	Ariz., Colo.	Commercial construction, mortgage financing, savings and loan co.
Not available	Tex.	Property management, commercial construction, land development
$422	Ariz., Calif., Colo., Fla., Ga., Ill., Mass., Mo., N.Y., Pa., Tenn., Tex., Wash.	Property management, land development, mortgage financing, real estate broker, rehab, syndication
$40 (est.)	Ariz., Colo., Fla., Okla., Tex.	Commercial/industrial construction, land development
$18	Ariz., Fla., Tex.	Commercial construction, land development
$150	Ariz., Ark., Calif., Okla., Tenn., Utah	

TOP 10 BUILDERS

DETACHED

COMPANY	UNITS
Ryan Homes, Inc.	10,620
U.S. Home Corp.	8,715
Jim Walter Homes	8,706
Pulte Home Corp.	8,107
General Homes Corp.	4,837
The Ryland Group, Inc.	3,717
Nash Phillips/Copus, Inc.	3,610
Weyerhaeuser Real Estate Co.	3,200
American Continental Corp.	3,050
Gemcraft Homes, Inc.	2,978

TOP 10 BUILDERS

ATTACHED

COMPANY	UNITS
U.S. Home Corp.	5,313
Pulte Home Corp.	3,901
Development Corp. of America	2,300
Weyerhaeuser Real Estate Co.	1,800
The Ryland Group, Inc.	1,774
Burg and DiVosta Corp.	1,400
Hovnanian Enterprises	1,400
The Harkins Group	1,347
Pacific Scene, Inc.	1,267
Wood Bros. Homes, Inc.	1,045

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
21	**Gemcraft Homes, Inc.** 9950 Westpark Houston, Tex. 77063 (713) 266-3611	Private/Bob Hutchins, *chmn., CEO,* Russ Hutchins, *pres.,* Frank Romero, *exec. v.p.*	**2,978**	2,978		
22	**Paragon Group, Inc.** 7557 Rambler Rd. Dallas, Tex. 75231 (214) 696-8000	Private/William R. Cooper, *pres.*	**2,968**		143	2,825
23	**Ray Ellison Homes, Inc.** 4800 Fredericksburg Rd. San Antonio, Tex. 78229 (512) 349-1111	Private/Ray Ellison, *chmn.,* John H. Willome, *pres.*	**2,860**	2,470	390	
24	**Wood Bros. Homes, Inc.** 55 Madison St. Denver, Colo. 80206 (303) 355-8000	Public (subsid. of City Investing)/ W.H. Tucker, *pres.*	**2,845**	1,800	1,045	
25	**Development Corp. of America** 2514 Hollywood Blvd. Hollywood, Fla. 33020 (305) 920-6600	Public (includes M.A.P. Builders, Inc.)/Alvin Sherman, *pres., chmn.,* Carl Palmisciano, *v.p.,* Rosalind Stanco, *v.p.*	**2,677**	377	2,300	
26	**PF West Inc.** 5995 E. Grant Rd. Tucson, Ariz. 85712 (602) 886-1304	Private/Joseph M. Friedheim, *pres.*	**2,500**			2,500
27	**Jagger Buzbee Co.** P.O. Box 13146 Austin, Tex. 78711 (512) 327-2900	Private/Sid Jagger, Bob Buzbee, *principals*	**2,495**			2,495
28	**Michael's Development Co., Inc.** 10 Grove St. Cherry Hill, N.J. 08034 (609) 665-2244	Private/Michael J. Levitt, *pres.,* Kenneth V. Price, *v.p., controller*	**2,332**			2,332
29	**The Law Co., Inc.** 345 Riverview Wichita, Kans. 67203 (316) 268-0200	Private/Richard M. Kerschen, *pres.,* Don R. Marvin, *sr. v.p.,* Kenneth L. Pruett, *sr. v.p.*	**2,290**		110	2,180
30	**The Hardesty Co.** 4606 S. Garnett Rd. Tulsa, Okla. 74146 (918) 622-3600	Private/Floyd Roger Hardesty, *pres.*	**2,136**			2,136

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$225	Tex.	Land development, mortgage financing, savings and loan co., advertising co., printing co., leasing co.
$106	Calif., Fla., Ga., Ill., Kans., Ky., Mo., N.C., S.C., Tenn., Tex.	Commercial/industrial construction
$160	Tex.	Commercial/industrial construction, land development, real estate broker, insurance/title co., component manufacturing, lumber/materials dealer, water co.
$405	Ariz., Colo., N. Mex., Tex.	Mortgage financing, manufactured housing
$150	Fla., P.R.	Mortgage/banking services
$108	Ariz., Utah	Property management, commercial construction
$110	Ha., Okla., Tex.	Property management
$84	Del., Fla., Ill., Ky., Md., N.J., N.Y., Pa., S.C., Va., W. Va., V.I.	Property management
$90	Colo., Fla., Kans., Okla., Tex.	Commercial/industrial construction, rehab, insurance/title co.
$8	Kans., Okla., Tex.	Commercial/industrial construction

DEVELOPMENT CORP. OF AMERICA

Development Corporation of America's stockholders have reason to be pleased this year. Not only is the company number 25 on the BUILDER 100 and ranked as the number one builder in southern Florida (based on starts and permits), but earnings in 1983 were $7 million—or $1.18 per share—despite the textile division's $4.6 million losses. (The division has since been sold.)

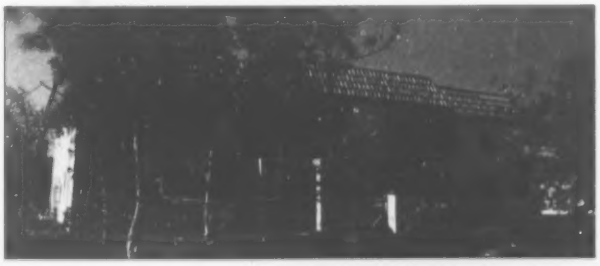
What pulled DCA through? The housing division posted $11.6 million in earnings, an increase of $10.2 million over 1982. Sales were up 46 percent.

"We've been growing like Topsy. We now have 44 active subdivisions in Florida and Puerto Rico. We're very, very busy," said Rosalind Stanco, vice president, director of marketing and a 15-year veteran with the company. It looks as if 1984 will be even better. In 1983 DCA had $53 million in backlog orders, but the company went into 1984 with $103 million in backlogs: That translates into 1,696 condo and fee-simple townhouse units.

DCA is after the first-time home buyer and retiree. The company's units are priced between $40,000 and $70,000, a range that both of these market segments can afford. DCA also has a mortgage company to provide competitive customer financing.

To attract customers, DCA uses an unusual marketing tool—a tabloid newspaper, *DCA Shopper*, which publicizes DCA floor plans, designs and project locations. It is distributed in Florida newspapers and at DCA sales offices. In addition, DCA advertises heavily in New York and New Jersey newspapers. "As long as we can get our product in the public mind and traffic to the sales office, our houses sell themselves. We underprice our competition in almost every area," Stanco noted.

Five years from now DCA would like to be Florida's largest builder, but expansion plans don't stop there. "We are always," Stanco reported, "looking to expand into other lucrative areas around the nation."



Priced from $40,000 to $50,000, DCA's Lucerne Lakes Golf Colony condos feature two bedrooms, two baths, patios or screened porches and access to the community's golf course, swimming pool, clubhouse and sun deck.

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
31	**Browning Property Co.** 4887 Alpha Rd. Dallas, Tex. 75234 (214) 980-0880	Private/Gordon D. Browning, *chmn.*; Charles W. McMurray, *pres.*; William A. Giles, *exec. v.p.*; Nicholas G. Mehl, *v.p., administration*	**2,117**		143	1,974
32	**Kaufman and Broad, Inc.** 10801 National Blvd. Los Angeles, Calif. 90064 (213) 475-6711	Public/Eli Broad, *chmn., CEO*	**2,091**	2,091		
33	**Lennar Corp.** 700 N.W. 107th Ave. Miami, Fla. 33172 (305) 559-4000	Public/Leonard Miller, *chmn., pres.*; Irving Bolotin, *sr. v.p., director*	**2,017**	461	956	600
34	**Genstar Corp.** 4 Embarcadero Center San Francisco, Calif. 94111 (415) 986-7200	Public/Angus A. MacNaughton, *chmn., co-CEO*; Ross J. Turner, *co-CEO*; George F. Michals, *exec. v.p.*	**2,005**	Breakdown not available		
35	**Pacific Scene, Inc.** 3900 Harney St. San Diego, Calif. 92110 (619) 299-5100	Private/Tawfiq N. Khoury, *chmn., CEO*; Russ R. Richard, *pres.*	**1,811**	544 (est.)	1,267 (est.)	
36	**Cimarron Co.** 7700 San Felipe Houston, Tex. 77063 (713) 783-4095	Private/Stanley Cameron, *chmn., CEO*; Robert E. Johnson, Jr., *pres.*	**1,776**			1,776
37	**First Southwest Equity Corp.** InterFirst Plaza Temple, Tex. 76501 (817) 773-1613	Private/Robert K. Utley III, *pres., chmn.*	**1,691**			1,691
38	**The Related Companies Inc.** 645 Fifth Ave. New York, N.Y. 10022 (212) 421-5332	Private/S.M. Ross, *principal*	**1,650**			1,650
39	**General Development Corp.** 1111 S. Bayshore Dr. Miami, Fla. 33131 (305) 350-1200	Public (subsid. of City Investing)/ Robert F. Ehrling, *pres., CEO*; Gerard P. Mazian, *sr. v.p., planning and finance*; Tore T. DeBella, *sr. v.p., marketing*	**1,643**	1,132	511	
40	**Mitchell Homes** P.O. Box 160306 Mobile, Ala. 36616 (205) 476-1200	Private/Mayer Mitchell, Abraham A. Mitchell, William A. Lubel, owners	**1,605**	322	420	863

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$99	Tex.	Property management
$560	Calif., France	Mortgage financing, life insurance, manufactured housing
$123	Ariz., Fla.	Commercial/industrial construction, land development, component manufacturing, mobile home parks
$420	Calif., Tex., Canada	Commercial construction, land development
$156	Ariz., Calif.	Commercial/industrial construction
$67	La., Okla., Tex.	Commercial/industrial construction
$77	Tex.	Property management, land development
$80	Colo., Conn., Fla., Mass., N.J., N.Y., Pa.	Property management, commercial construction, remodeling
$270	Fla.	Property management, land development, mobile home parks
$153	Ala., Fla., La., Miss.	Property management, commercial construction/development

TOP 10 BUILDERS

RENTAL

COMPANY	UNITS
Lincoln Property Co.	13,368
A.G. Spanos Construction, Inc.	12,000
Oxford Development Corp.	6,850
Trammel Crow Residential Companies	6,473
The National Housing Partnership	6,330
Summers Associates, Inc.	4,000
Gene Branscome Investments	3,600
American Diversified	3,550
Paragon Group, Inc.	2,825
Robertson Homes	2,718

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
41	**Jetero Corp.** 10900 Richmond Ave. Houston, Tex. 77042 (713) 785-8200	Private/R.A. Beeler, *chmn., pres.*, R.F. Beeler, *sr. v.p.*	**1,600**			1,600
42	**M.D.C. Corp.** 3600 S. Yosemite Denver, Colo. 80237 (303) 773-1100	Public/Larry A. Mizel, *chmn., co-CEO*, Emil Hecht, *v. chmn., co-CEO*, Michael A. Feiner, *pres., co-CEO*	**1,593**	668	541	384
43	**The William Lyon Co.** 19 Corporate Plaza Newport Beach, Calif. 92660 (714) 833-3600	Private/William Lyon, *chmn., CEO*, Dick Randall, *pres.*, James E. McNamara, *sr. v.p., chief financial officer*	**1,568**	915	653	
44	**Forest City Enterprises** 10800 Brookpark Rd. Cleveland, Ohio 44130 (216) 267-1200	Public/Max Ratner, *chmn.*, Samuel H. Miller, *v. chmn., treas.*, Albert B. Ratner, *pres.*	**1,476**			1,476
45	**Bill Milburn Co.** P.O. Box 9802-682 Austin, Tex. 78766 (512) 835-4466	Private/William O. Milburn, *principal, developer-manager*	**1,475**	1,395		80
46	**Noble Builders, Inc.** 10420 Plano Rd. Dallas, Tex. 75238 (214) 343-1452	Private/Ed Noble, *pres.*	**1,468**		520	948
47	**Centron** 855 106th Ave., N.E. Bellevue, Wash. 98009 (206) 453-5454	Private/James W. Summers, *chmn.*, William C. Summers, *pres.*	**1,465**		408	1,057
48	**Homewood Corp.** 6079 Northgage Rd. Columbus, Ohio 43229 (614) 846-3400	Private/George A. Skestos, *chmn., pres.*	**1,463**	310	101	1,052
49	**Lewis Homes** 1156 N. Mountain Ave. P.O. Box 670 Upland, Calif. 91786-0670 (714) 985-0971	Private/Ralph M. Lewis, *chmn.*, Richard A. Lewis, *pres.*, John Goodman, *chief financial officer*	**1,405**	980	357	68
50	**Barratt American, Inc.** 20 Executive Park Irvine, Calif. 92714 (714) 250-0447	Private (subsid. of Barratt Developments, PLC, Ltd.)/John Swanson, *pres., chmn.*	**1,400**	Breakdown not available		

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$63	Fla., Tenn., Tex.	Property management
$167	Ariz., Colo., Fla.	Property management, mortgage financing, real estate broker
$219	Calif.	Land development, venture capital
$265 (est.)	Ariz., Calif., Conn., Ill., Ind., Ky., Mass., Mich., N.J., N.Y., Ohio, Pa., Va., W. Va., Wash., D.C.	Property management, commercial construction, land development, mortgage financing, remodeling, manufactured housing, component manufacturing, lumber/materials dealer, do-it-yourself chain stores
$168	Tex.	Land development, real estate broker, land sales
$32	Tex.	Property management, commercial construction, land development, real estate broker
$25	Colo., Wash.	Property management, commercial/industrial construction, land development
$80	Fla., Ind., Ky., Ohio, Tenn., Tex., W. Va., P.R., V.I.	Commercial/industrial construction, land development
$166	Calif., Nev.	Property management, commercial/industrial construction, land development, real estate broker
Not available	Calif.	

The Kingsley at Green Valley Ranch in Denver is typical of M.D.C.'s high-end affordable housing. The unit has 2,020 square feet, three bedrooms, two and a half baths, vaulted ceilings, skylights and large oval tubs in the master baths. Prices start at around $95,000.

M.D.C. CORP.

M.D.C. Corporation is on the move. Net income increased by 92 percent in 1983, revenues rose 100 percent and Michael Feiner, president and co-chief executive officer of number 42 on the BUILDER 100, predicted the industry hadn't seen anything yet. "Last year was a pivotal year for us. We changed the breadth and scale of our activities and laid the foundation for future growth."

For starters, M.D.C. purchased two housing subsidiaries—Olin-American in Orlando and Cavalier Homes in Phoenix—from the Olin Corporation for $19.2 million. With the purchase, M.D.C., which had been active in Denver, enters two new markets. M.D.C. will not, however, try to dominate Orlando and Phoenix. "We're a profit margin-oriented company rather than a market share company. If we had a 3 to 4 percent share of those markets plus our share of our Colorado markets, we'd be building nearly 6,000 units a year. We're projecting $500 million in sales in three years," Feiner said.

M.D.C. also is changing to an affordable product. Lower cost detached homes and townhouses accounted for less than 15 percent of the company's total 1982 production, but it accounted for nearly 50 percent in 1983.

M.D.C. was even more aggressive in developing the investment and financial end of its business. The publicly held company raised $75 million by selling 7 percent notes and five-year warrants. Last December it formed First Nationwide Mortgage Corporation, a wholly owned subsidiary for the origination and servicing of home mortgages.

Last year, M.D.C. sold its share of a Denver area savings and loan institution for $4.3 million and, as 1983 drew to a close, reported progress in an agreement to merge Far West Financial Corporation, a publicly held California-based S&L of which M.D.C. owns nearly 10 percent, into a private company with M.D.C. as a leading partner.

"Our geographic expansion and product diversification, our emphasis on liquidity and our participation in mortgage-backed bonds provides us with the ingredients to make 1984 another record year," Feiner concluded.

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
51	**Hovnanian Enterprises** 10 Highway 35 Red Bank, N.J. 07701 (201) 747-7800	Public/Kevork S. Hovnanian, *chmn., pres., director,* Ara K. Hovnanian, *exec. v.p., director*	**1,400**		1,400	
52	**Burg and DiVosta Corp.** 10358 Ironwood Rd. Palm Beach Gardens, Fla. 33410 (305) 622-0652	Private/Clifford Burg, *pres.*, Otto B. DiVosta, *v.p.*, Betty DiVosta, *treas.*	**1,400**		1,400	
53	**Goldrich and Kest Industries** 5150 Overland Ave. Culver City, Calif. 90230 (213) 204-2050	Private/Jona Goldrich, *pres.*	**1,356**	29	220	1,107
54	**The Harkins Group** 12301 Old Columbia Pike Silver Spring, Md. 20904 (301) 622-9000	Private/Thomas P. Harkins, *pres., chmn.*, Joel H. Garrett, *v.p., sec.*, J.P. Blasecooke, *exec. v.p.*	**1,347**		1,347	
55	**Lieberman Corp.** 11970 Borman Dr. St. Louis, Mo. 63146 (314) 878-4111	Private/Harold G. Lieberman, *chmn.*, Alan L. Lieberman, *pres.*, David Lieberman, *treas.*	**1,308**	220	768	320
56	**Miles Homes, Inc.** 4700 Nathan Ln. Minneapolis, Minn. 55440 (612) 553-8300	Public (subsid. of Insilco Corp.)/ Herbert Kahler, *pres.*	**1,300**	1,300		
57	**Hunt Building Corp.** 4855 N. Mesa El Paso, Tex. 79912 (915) 533-1122	Private/W.L. Hunt, *pres., treas.*	**1,281**		453	828
58	**Mission Viejo Co.** 26137 La Paz Rd. Mission Viejo, Calif. 92691 (714) 837-6050	Public (subsid. of Philip Morris, Inc.)/Phillip J. Reilly, *pres.*	**1,275**	843	432	
59	**The Grupe Co.** P.O. Box 7576 Stockton, Calif. 95207 (209) 951-6660	Private/Greenlaw Grupe, Jr., *pres.*	**1,248**	87	54	1,107
60	**Mayer Group** 9171 Wilshire Blvd. Beverly Hills, Calif. 90210 (213) 274-5553	Private (affiliated with Coast Federal Savings)/Alan Cavdett, *pres.*	**1,224**	57	54	1,113

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$70	Fla., N.J.	Property management
$79	Fla.	
$101	Calif.	Property management (retirement communities)
$74	Md., Va., W. Va., Wash., D.C.	Commercial construction
Not available	Colo., Fla., Ill., Mo.	Commercial/industrial construction, land development, real estate broker, insurance, syndication
$50	Nationwide	Financing, building materials
$59	Ariz., Calif., N. Mex., Tex.	
$258	Calif., Colo.	Property management
$151	Ariz., Colo., N. Mex., Calif.	Property management
$97	Calif.	

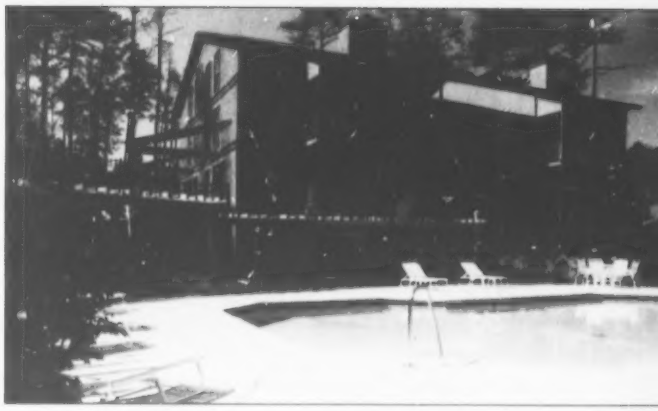
TOP 25 MARKETS

GEOGRAPHIC DISTRIBUTION

STATE	COMPANIES	STATE	COMPANIES
Florida	48	**Tennessee**	15
Texas	39	**New Jersey**	13
California	33	**Ohio**	12
Arizona	25	**Indiana**	11
Colorado	24	**Kentucky**	11
Georgia	19	**Washington**	11
Virginia	19	**Massachusetts**	10
Illinois	17	**New Mexico**	10
Oklahoma	17	**New York**	10
Pennsylvania	16	**Washington, D.C.**	10
Maryland	15	**Michigan**	9
North Carolina	15	**Missouri**	9
South Carolina	15		

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
61	**M/I Schottenstein Companies** 1855 E. Dublin/Granville Rd. Columbus, Ohio 43229 (614) 436-5600	Private/Irving Schottenstein, *pres.*, Melvin Schottenstein, *sec., treas.*	**1,200**	800	200	200
62	**Leon N. Weiner & Assoc., Inc.** 4 Denny Rd. Wilmington, Del. 19809 (302) 764-9430	Private/Leon N. Weiner, *pres.*, Joseph A. Singer, *v.p., rental operations*, Mark E. Weiner *v.p., chief financial officer*	**1,191**	20	58	1,113
63	**Jack W. Blumenfeld & Co.** 1500 Locust St. Philadelphia, Pa. 19102 (215) 735-0300	Private/Jack W. Blumenfeld, *pres.*, Alan Feingold, *exec. v.p.*	**1,163**		262	901
64	**Calibre Companies, Inc.** 5600 Roswell Rd. Atlanta, Ga. 30342 (404) 256-1576	Private/Edward L. Brinson, Douglas C. Mullins, Jack W. Morse, *partners*	**1,148**		721	427
65	**Amrep. Corp.** 16 West 61st St. New York, N.Y. 10023 (212) 541-7300	Public/Lawrence Perlmutter, *pres.*, Rudolph Skalka, *v.p., treas.*	**1,120**	1,000	120	
66	**Stokes and Co.** 4319 Salisbury Rd. Jacksonville, Fla. 32216 (904) 731-8170	Private/E. Chester Stokes, Jr., *pres.*	**1,116**	156	540	420
67	**Universal Development Corp.** 4810 Three First Natl. Plaza Chicago, Ill. 60602 (312) 726-1885	Public/Gary A. Rosenberg, *chmn.*, Bryant H. Prentice III, *pres.*, Richard C. Kraemer, *exec. v.p., operations*	**1,061**	549	512	
68	**Crain & Assoc. Devel. Co., Inc.** 4590 E. Grant Rd. Tucson, Ariz. 85712 (602) 323-3211	Private/John B. Crain, Jr., *pres.*, Jay DeBake, *v.p.*	**1,003**			1,003
69	**George Wimpey, Inc.** 1200 3rd Ave. San Diego, Calif. 92101 (619) 232-5885	Private (includes Monarch Homes Inc.)/Roy B. Ferris, *pres.*, (George Wimpey, Inc.), John Nickal, *pres.* (Monarch Homes, Inc.)	**1,000** (est.)	1,000 (est.)		
70	**Gene B. Glick Co. Inc.** 9102 N. Meridian St. Indianapolis, Ind. 46260 (317) 844-7741	Private/Gene B. Glick, *CEO*, Max Thurston, *pres., v.p.*, Frank Basile, *v.p.*	**1,000**			1,000

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$65	Fla., Ohio	Property management, land development
$55 (est.)	Conn., Del., Md., N.J., N.Y., Pa., Va.	Property management, commercial/industrial construction, land development, real estate broker, remodeling/rehab, syndication
$38	N.J., Pa.	Property management, commercial/industrial construction, land development
$70	Fla., Ga., N.C., Va.	
$50	Colo., Fla., N. Mex.	Commercial construction
$97	Fla., Ga., S.C.	Property management, commercial construction, mortgage financing, real estate broker, mobile home parks
$106	Ariz., Calif., Fla., N.C., S.C.	Property management, land development, mortgage financing, real estate broker, mobile home parks
$36	Ariz.	Property management, real estate broker
$100 (est.)	Tex.	Industrial development, land development, civil engineering
$120 (est.)	Fla., Ga., Ill., Ind., Ky., Mich., Minn., N.Y., Ohio, Pa., S.C., Va.	Property management, mortgage financing, insurance co., venture capital



This condo project—900 to 1,300-square-foot units priced at $70,000 to $90,000—is in Atlanta, but Calibre builds projects like it in Florida and metropolitan Washington, D.C., as well.

CALIBRE CO.

In seven years, Atlanta-based Calibre Companies, Inc., has gone from home building novice to number 64 on the BUILDER 100 chart.

The company had been in property management for 20 years when, in 1977, founding partners Doug Mullins, Edward Brinson and Jack Morse switched gears. "Property management is a way to make a living but we wanted to make money," Mullins recalled.

Calibre built 2,000 high-end multifamily rental units in three years. Then the company saw an opening in the first-time home buyer condo market, whereupon it built 200 $40,000 to $60,000 units in 1980, progressing steadily to 780 similar units in 1983.

The partners also believed that the path to $100 million revenues lay in expanding beyond their Atlanta market. "Our product is for the 30 to 34-year-old who lives alone and is making an income in the $30,000s. We looked around the country and defined where these people were," Mullins explained. First stop was Washington, D.C., followed, in 1983, by Tampa and Boca Raton, Fla., and Raleigh, N.C. By 1986 the company plans to be in 12 cities.

The person chosen to head the office in each new market becomes a partner, Mullins reported, and as such runs an autonomous unit. "Small, decentralized business units in various geographic areas represent the best way to achieve volume, sales and profit goals," Mullins claimed.

Calibre's condo revenues underscore Mullins's enthusiasm. They were $52 million in 1983 and Mullins projects $70 million in 1984. By 1985, Calibre hopes to reach the $100 million mark.

"We have the advantage of size in terms of reputation, credit worthiness and watching trends," he said of his company's management approach. "We have the advantage of a smaller company in our response to and flexibility in local markets. We're entrepreneurial within the company, and we like it that way."

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
71	**Vernon, James & Paul Smith Co.** 2929 Carlisle Dallas, Tex. 75204 (214) 559-0830	Private/Vernon S. Smith, Jr., Paul Smith, James W. Smith II, *principals*	**996**	360	36	600
72	**Ponderosa Homes** 1182 Business Center Dr. Irvine, Calif. 92715 (714) 476-2180	Public (subsid. of AETNA Life and Casualty)/James S. Dailey, *pres., CEO*	**994**	994		
73	**Pacific Union Co.** 3640 Buchanan St. San Francisco, Calif. 94123 (415) 929-7100	Private/H. William Harlan, Peter C. Stocker, John G. Montgomery, *principals*	**980**		980	
74	**Cenvill Development** Century Village, Admin. Bldg. West Palm Beach, Fla. 33409 (305) 683-4767	Public/H. Irwin Levy, *chmn., pres.*, Joseph D. Weingard, *sr. v.p., planning and corp. development*	**970**	120	850	
75	**Irvine Pacific Development Co.** 550 Newport Center Dr. Newport Beach, Calif. 92660 (714) 720-2600	Private (div. of the Irvine Co.)/ Roland Osgood, *pres.*	**960**	150	350	460
76	**Standard Pacific Corp.** 1565 W. MacArthur Blvd. Costa Mesa, Calif. 92626 (714) 546-1161	Public/Arthur E. Svendsen, *chmn., CEO*, Ronald R. Foell, *pres.*	**953**	953		
77	**Trafalgar Developers of Fla.** 275 Fontainebleau Blvd. Miami, Fla. 33172 (305) 223-5243	Public (subsid. of General Electric Co.)/Ramon R. Cacicedo, *pres.*	**944**	253	691	
78	**M.J. Brock & Sons, Inc.** 6767 Forest Lawn Dr. Los Angeles, Calif. 90068 (213) 851-6767	Public (subsid. of CIGNA)/M.J. Brock, Jr., *chmn.*, R.C. Chenoweth, *pres., CEO*	**930**	805	125	
79	**International Developers, Inc.** 1700 N. Moore St. Arlington, Va. 22209 (703) 558-7300	Private/Giuseppe Cecchi, *pres.*	**926**		926	
80	**Fairfield Communities, Inc.** 1207 Rebsamen Park Rd. Little Rock, Ark. 72203 (501) 664-6000	Public/C. Randolph Warner, Jr., *chmn., CEO*, Robert L. Callender, *v. chmn., treas.*, George F. Donovan, *pres., COO*	**925**	454	471	

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$32	Tex.	Property management, commercial/industrial construction, land development
$227	Calif.	
$60	Calif.	Property management, commercial/industrial construction, real estate broker
$84	Fla.	Property management, commercial/industrial construction, land development
Not available	Calif.	Property management
$135	Calif., Ill., Tex., Wash.	Land development, real estate broker
$96	Fla.	Land sales
$120	Calif., Colo.	Land development
$101	Md., Va., Wash., D.C.	Commercial/industrial construction, land development
$185	Ariz., Ark., Colo., Fla., Ga., N.C., S.C., Tenn.	Property management, land development

RYLAND GROUP

Ted Peck, chairman and chief executive officer of the Ryland Group, number 11 on the BUILDER 100 list, describes his company as "a three-company company."

First, there's the traditional home building operation that started in 1967 and builds panelized homes on sites in 10 states. There are 27 home building divisions throughout the country; three Ryland-owned plants supply the panels.

Second—the result of a 1978 merger—is the Ryland Mortgage Company. "Mortgage banking," Peck pointed out, "is a profit center for us."

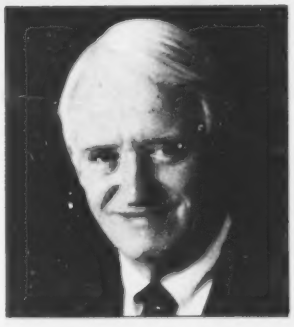
Third, and already showing a profit, is Ryland Modular Housing which the company started in 1982. The modules are, according to Peck, "look-alikes for our most marketable houses. They are customer proven." They are sold to smaller builders. "It's a new business for the small builder," Peck explained.

Ryland is positioned to play a major role in an industry where big builders seem destined to increase their market share. The company is moving into new markets in the South and Southwest and is working aggressively to increase market share in cities where it already builds. One means is to introduce a wider variety of housing.

"Our company is very conservative, and we have been slow to enter the townhouse market, but last year 35 percent of our homes were townhouses. We have a few condos in our mix and that's new for us," Peck reported.

Ryland serves a broad market, building homes ranging from $45,000 to $150,000. The company, like many other big companies that survived and are operating in the post-recession economy, is staying lean while it grows. Although Ryland did twice as much business in 1983 as 1982, the company added only 30 percent more personnel.

With 2,026 square feet including three bedrooms, two and a half baths and a two-car garage, Olympia is being built in Ryland's Midwest markets for the move-up home buyer. At $90,000, Olympia falls in the middle of Ryland's price range.



	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
81	**Allstate Homes, Inc.** 11300 N. Central Ave. Tampa, Fla. 33612 (813) 935-2111	Private/Peter A. Rutskin, *pres.*	**900**	450	300	150
82	**Melody Homes** 11031 Sheridan Blvd. Broomfield, Colo. 80020 (303) 466-1831	Private/W.H. Francis, Jr., *general manager*	**898**	867	31	
83	**Drexel Properties, Inc.** 2777 Stemmons Freeway Dallas, Tex. 75207 (214) 689-4280	Private/Bart McEntire, *pres.*, Doug Boettcher, *v.p.*	**882**		70	812
84	**John Crosland Co.** 145 Scaleybark Rd. Charlotte, N.C. 28209 (704) 523-8111	Private/John Crosland, Jr., *pres.*, Paul Leonard, *exec. v.p.*	**856**	346	510	
85	**Corcoran, Mullins & Jennison** 1 Heritage Dr. Quincy, Mass. 02171 (617) 328-3100	Private/Joseph E. Corcoran, *pres., principal*, Joseph R. Mullins, *v.p., principal*, Gary A. Jennison, *v.p., principal*	**830**		30	800
86	**Shapell Industries, Inc.** 8383 Wilshire Blvd. Beverly Hills, Calif. 90211 (213) 655-7330	Public/Nathan Shapell, *chmn., pres.*, David Shapell, *exec. v.p.*	**829**	650	179	
87	**George D. Thomas Builder, Inc.** 1530 Lee Trevino El Paso, Tex. 79936 (915) 592-0101	Private/G.D. Thomas, *pres.*	**812**	643	23	146
88	**Never Fail Builders, Inc.** P.O. Box 700540 Tulsa, Okla. 74170 (918) 299-8534	Private/Never Fail, Jr., *pres.*, Brian Fail, *v.p.*	**780**	20	548	212
89	**Amurcon Corp.** 26555 Evergreen Southfield, Mich. 48076 (313) 352-0202	Private/Barton M. Berman, *co-chmn., CEO*, Fred Erb, *co-chmn.*	**773**		773	
90	**Planned Resid. Communities** 60 Monmouth Park Hwy. West Long Branch, N.J. 07764 (201) 222-5062	Private/Robert M. Kaye, *pres.*, John Sauer, *v.p.*	**751**		480	271

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$25	Fla.	Property management, real estate broker, manufactured housing
$74	Colo.	Land development
Not available	Colo., Okla., Tex.	Property management, land development
$41	N.C., S.C.	Property management, land development
$84	Fla., Md., Mass.	Property management, commercial/industrial construction, land development
$192	Calif.	Property management, commercial construction, land development, mortgage financing, real estate broker, lumber/materials dealer
$35 (est.)	N. Mex., Tex.	
$37	Okla.	Land development
$35 (est.)	Fla., Mich., Va.	Property management, commercial/industrial construction, land development, repair/remodeling
$35	Del., Fla., Mass., N.J., Okla., Tenn.	Property management, commercial construction, condo conversions/rehab

DIVERSIFICATION

CATEGORY	COMPANIES
Property management	49
Commercial/industrial development/ construction	43
Land development	42
Mortgage/banking services (includes 2 S&Ls)	22
Real estate broker	19
Repair/remodeling/rehab	8
Insurance/title co.	8
Manufactured housing (includes 1 modular house builder)	6
Component manufacturing	5
Lumber/materials dealer	5
Land sales	4
Mobile home parks	4
Venture capital/investment banking	4
Syndication	3
Cement co.	2
Architecture/interior design	2

PUBLIC VS. PRIVATE

PUBLIC: 31%

PRIVATE: 69%

PUBLIC: 103,152 units

PRIVATE: 145,818 units

	COMPANY	OWNERSHIP/ LEADERSHIP	1983 HOUSING PRODUCTION			
			Total units	Detached for-sale units	Attached for-sale units	Rental units
91	**Flournoy Construction** P.O. Box 6566 Columbus, Ga. 31995 (404) 687-4301	Private/John Flournoy, *pres., land acquisition*, W.R. Jones, *sr. v.p., financing*	**750**			750
92	**Arvida Corp.** 5550 Glades Rd. Boca Raton, Fla. 33432 (305) 395-2000	Private/Charles E. Cobb, Jr., *chmn., CEO*; John W. Temple, *pres., COO*	**712**	234	458	
93	**Oriole Homes Corp.** 1151 N.W. 24th St. Pompano Beach, Fla. 33064 (305) 972-7660	Public/Richard D. Levy, *pres.*, A. Nunez, *sr. v.p., treas., director*, Eugene Berns, *v.p., sales and marketing*	**707**	50	657	
94	**Knoell Bros. Construction, Inc.** 2401 S. 24th St. Phoenix, Ariz. 85036 (602) 273-7101	Private/Frank E. Knoell, *chmn.*, Thomas E. Knoell, *pres.*	**704**	564	140	
95	**Edward Rose Bldg. Enterprises** P.O. Box 937 Southfield, Mich. 48037 (313) 352-0952	Private/Sheldon Rose, *CEO*	**700** (est.)			700 (est.)
96	**Frederick Development Corp.** 18 Brookhollow Dr. Santa Ana, Calif. 92705 (714) 549-4877	Private (subsid. of Pacific Lighting Corp.)/E.J. Hunter, *chmn.*, Ron Case, *exec. v.p.*	**699**	246	291	162
97	**Del E. Webb Development Co.** P.O. Box 1705 Sun City, Ariz. 85372 (602) 974-7011	Public (subsid. of Del Webb Corp.)/Fred Kuentz, *pres.*, Paul Tatz, *exec. v.p.*	**678**	472	206	
98	**The Weitz Corp.** 800 Second Ave. Des Moines, Iowa 50309 (515) 245-7600	Private/Fred W. Weitz, *pres., chmn.*	**677**			677 (life-care units)
99	**AmeriFirst Corp.** 13701 N. Kendall Dr. Miami, Fla. 33186 (305) 387-5050	Private (subsid. of AmeriFirst Federal S&L)/Richard A. Davenport, *pres.*, Samuel G. Benson, *v.p., marketing*, William W. Cole, *v.p., controller*	**652**	218	434	
100	**The Fieldstone Co.** 13 Corporate Plaza Newport Beach, Calif. 92660 (714) 851-8313	Private/Peter Ochs, *pres.*, Keith Johnson, *exec. v.p.*	**646**	516	130	

GROSS REVENUES (in millions)	MARKETS	DIVERSIFICATION
$21	Fla., Ga., Tenn.	
$320	Calif., Fla., Ga.	Property management, commercial/industrial construction, mortgage financing, real estate broker
$51	Fla.	Property management, commercial/industrial construction, land development, real estate broker
$47	Ariz.	Land sales
$100 (est.)	Ill., Ind., Mich., Mo., N.C., Ohio, S.C., Tenn., Va., Wis.	
$54	Calif.	
$365	Ariz.	
$102	Ill., Mass., Pa.	Property management, commercial construction
$75	Fla.	Land sales
$80	Calif.	

BILL MILBURN CO.

Bill Milburn's approach to home building is old-fashioned. "Keep it simple so everybody can understand it," is how he put it. Accordingly, Milburn's company uses what he terms simple—"A layman can understand it"—construction plans, sales programs and accounting methods. He keeps his staff lean and personally monitors the construction status of each of his houses daily via computer.

The Bill Milburn Company, number 45 in the BUILDER 100, has prospered under Milburn's approach. Starting as a small company building a dozen homes in Austin in 1961, it has grown into a diversified empire with $168.4 in gross revenues last year and a 30 to 40 percent share of a vigorous and booming local market.

Though Milburn's primary business is single-family affordable housing, he is branching out this year into multifamily units and building shopping centers and office buildings on land he subdivides and develops himself. He's also in the real estate business, with a sales force of 160 selling older houses and the products of other builders.

Milburn has a title and insurance company and mortgage company in hand as well as a grant for a one-person charter for a savings and loan.

Milburn also is expanding into component manufacturing, and will eventually build all houses using components. "Construction goes faster that way, so you can capture a greater percentage of the market. When a market's hot, you want to have merchandise to display. You're in a more competitive position," he explained.

So far the move into factory building has had its difficulties. "There are growing pains. Even with two eight-hour shifts a day at our factory, we are struggling to meet 50 percent of our needs. To get up to 100 percent we'll have to retool and build more space," Milburn admitted.

One means of raising capital for such expansion purposes is to take the company public but Milburn professes a lack of interest. "I prefer," he stated simply, "to exercise the control I have right now."

Milburn builds the popular Rollingwood model for the move-up buyer at all his Austin sites. The 1,569-square-foot ranch house with brick or fieldstone trim sells for $81,500 to $89,600.